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Daily Report

China

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General

Li Peng Comments on Gulf War, PRC-Japan Ties

OW1901114691 Beijing Domestic Service
in Mandarin 1030 GMT 19 Jan 91

[From the "National Hookup" program]

[Text] Premier Li Peng had a meeting in Zhongnanhai this afternoon with a delegation of young Japanese Diet members from the Liberal Democratic Party [LDP], headed by Nakagawa Shoichi, director of the LDP Special Youth Policy Committee and member of the House of Representatives. This was the first meeting Premier Li Peng has had with foreign visitors since the outbreak of the Gulf war.

At the visitors' request, Li Peng expounded on the Chinese Government's principled stand toward the Gulf war.

Li Peng said: The international community, including China, has made great efforts to bring about a peaceful settlement of the Gulf crisis and stop the outbreak of war. Regrettably, these efforts were to no avail and the war eventually broke out. We are deeply worried by this.

Li Peng pointed out: The development of things is often independent from man's subjective will. War is cruel. If this war continues, it will have extremely grave consequences. The wealth created by people of several generations of the Gulf countries will be destroyed, large numbers of innocent people will suffer great losses in terms of lives and property, and world peace will be seriously threatened. Li Peng added: If the oil fields in the Gulf region are destroyed, the destruction will have a serious impact on the world economy.

He said: The Chinese Government and people strongly appeal to all relevant parties to exercise the greatest restraint so that the war can be prevented from escalating and spreading, the people of all countries in the Middle East will not become victims of even greater disasters, and the international community will have another opportunity to settle the conflict in a peaceful manner.

Li Peng stressed: As soon as the Gulf crisis started, the Chinese Government made it clear that it is against Iraq's armed invasion and occupation of Kuwait, demanding Iraq to withdraw its troops from Kuwait unconditionally so that Kuwait's independence, sovereignty, territorial integrity, and legitimate government can be reinstated. We also proposed that efforts be made to settle the Gulf crisis through political and diplomatic channels. This stand of the Chinese Government has been consistent and clear-cut. As always, we will continue to make unremitting efforts with the international community in seeking a peaceful settlement of the Gulf crisis.

Commenting on Sino-Japanese relations, Li Peng said: The current state of Sino-Japanese relations is hard-earned. This is the result of the protracted efforts exerted by people of the older generation of the two countries. The government leaders of the two countries should continue to work hard to promote friendly relations between China and Japan.

Li Peng added: It is not only the responsibility of statesmen of this generation to consolidate and develop friendly Sino-Japanese relations, but also the responsibility of the younger generation. It is hoped that people of the younger generation will carry forward their predecessors' good traditions and continue to develop friendly relations between the two countries. We place our hopes on young people.

Li Peng believed that China and Japan can play a positive role in establishing a new international political and economic order.

Nakagawa Shoichi pledged: We will work most enthusiastically for the sake of strengthening Sino-Japanese friendship.

Further on Call To Prevent Escalation

HK2201020091 Beijing RENMIN RIBAO in Chinese
20 Jan 91 p 1

[Report by reporter Zhou Shuchun (0719 2885 2505) "Li Peng Calls for Greatest Restraint To Prevent Further Escalation of War"]

[Text] Beijing, January 19 (XINHUA)—Li Peng today strongly [qiang lie 1730 3525] called for the greatest restraint on all parties concerned to prevent escalation and expansion of the Gulf war, saying China will continue to work towards peace.

The international community, including China, had made great efforts for a peaceful solution of the Gulf crisis and to avert war, he said in meeting with a delegation of young Japanese Diet members of the Liberal Democratic Party at Zhongnanhai's Ziguangge [4793 0342 7041].

Regrettably, he said, all those efforts failed and the war finally broke out. "We feel profoundly anxious and concerned about this," he added.

Li said that, according to a Chinese official's briefing, things often develop independent of man's will. War is cruel, he said, and "if the war continues, its consequences will be extremely grave."

He said that the wealth accumulated by generations of people in the Gulf region would be destroyed; the life and property of many innocent civilians would suffer severe losses; the world peace would be seriously threatened; and the destruction of oil-fields in the Gulf would gravely affect the world economy.

Therefore, he said, "The Chinese Government and people strongly appeal to all parties concerned to exercise the greatest restraint to prevent the escalation and expansion of war, so as to protect people of countries in the Middle East from being plunged into greater catastrophes, and, at the same time, to provide more chances and favorable conditions for the international community to continue searches for a peaceful settlement of the conflict."

Since the first day of the Gulf crisis, Li said, the Chinese Government has clearly stated its opposition to Iraq's military invasion and occupation of Kuwait, calling Iraq to withdraw all its troops from Kuwait unconditionally and restore the independence, sovereignty, territorial integrity and legitimate government of Kuwait.

Meanwhile, Li said, China advocates that greater efforts should be made to resolve the Gulf crisis peacefully through political means and diplomatic channels, adding that "this position of the Chinese Government has been consistent and clear-cut."

Now, he said, "We will, as always, make continued efforts to seek a peaceful settlement of the crisis together with the international community."

This afternoon Premier Li Peng met with a delegation of young Japanese Diet members led by Nakagawa Shoichi, chairman of the Democratic Party and member of the House of Representatives. At the request of his guests, he expounded the above-mentioned China's principled stand on the issue of the Gulf war.

Editorial States War Worsens Gulf Situation

HK2301085991 Hong Kong WEN WEI PO in Chinese
23 Jan 91 p 2

[Editorial: "War Worsens the Situation"]

[Text] Yesterday, the U.S.-led allied forces fiercely bombarded Iraqi oil facilities and the oil port of Basra, and Iraq also began to blast and destroy the oil fields in Kuwait as a means of retaliation. Mankind has so irrationally damaged the oil resources and created environmental pollution in the course of war, that the painful aftermath will not subside for many years to come.

If the two belligerent sides do not restrain themselves, and if one side escalates the war and the other side also escalates the retaliation, then the war will not only cause greater losses of lives and property, but also cause a more serious degree of ecological destruction. Moreover, the situation in the Gulf will become more complicated, and it will be more difficult to solve the problems there. At the beginning, the United States thought that with its overwhelming air superiority, Saddam Husayn could be subdued on the battlefield in a number of days or not more than one month, and the Gulf problem could then be solved. Presently, the developments on the battlefield have gone beyond the expectations of the U.S. side. Its air superiority did not lead to a war of "quick decision."

Even if the United States eventually wins the war, it will have to pay a much higher cost than expected. So it is hard to say whether the United States will gain more or lose more. The Middle East situation will become more uncertain and unpredictable as variable factors will increase and more dangerous factors will be brought into being.

The Middle East has always been regarded as a major "powder keg" in the world. After the end of World War I, Britain sowed the seeds of hatred and antagonism in that region, where racial and religious contradictions became sharper and sharper. After Suez, the superpowers did not directly station troops in the Middle East. This time, if the United States begins to maintain its military presence in Iraq and Kuwait as a victor, and dominate this region together with Israel, then fierce anti-U.S. sentiments will be aroused in the Arab world. The moderate Arab countries that have brought the infidel troops into the Arab world will be bogged down in a dilemma. It is easy to invite the forces of the big powers, but hard to send them home. This will have a strong impact on Muslim values. In addition, as there is a wide gap between the rich and the poor, the continued turbulence in the political situation in the Middle East will be self-evident, and there will be sharper antagonism between the United States and the moderate Arab countries on the one side and the radical Arab countries on the other.

After the war, Iraq will be in ruins. The Iraqi people will have no means of livelihood and will face serious unemployment. The United States will have to help Iraq restore its economy and will support a pro-United States government there. This will naturally become a new burden to the United States, as it will have to offer endless assistance. Then, Turkey, Syria, and Iran, which all have territorial disputes with Iraq, will use this opportunity to make inroads into Iraq and nibble at Iraq's territory or even dismember Iraq in order to seize its oil resources. When will such disputes and struggles come to an end? Today, the United States has gone to war because Kuwait was invaded and occupied; in the future, will it once again take up arms against other countries that are involved in territorial disputes?

The six-point peace proposal put forward by France once brought a gleam of hope for the peaceful settlement of the Middle East crisis. Being constrained by domestic interest groups, President Bush could not have Mitterrand's political foresight and could not make use of the situation to promote the political settlement of Israel's occupation of the Arab territories. If the United States now wins the war, it will be more impossible to settle fairly the contradictions between Israel and the Arab countries. Thus, the dual standards used by the United States in the UN Security Council will inevitably be condemned by various countries. As long as Israel refuses to withdraw and continues to suppress the Arab people in the occupied areas in a bloody way, powder

will continue to pile up in the Middle East "powder keg" and the potential danger of an explosion will become greater and greater.

The use of war as a means of settling complicated political issues will enable some Middle East countries to reinforce their military strength and increase their most advanced weapons. Thus, there will be changes in the balance of arms. This imbalance will encourage the rise of ambitious strongmen trying to gain regional hegemony. During the Iran-Iraq war, the United States allowed Saddam Husayn to grow strong. In the future, developments will go beyond the expectations of the United States, and radicalism is very likely to rise, and another strongman like Saddam Husayn is very likely to appear.

The war in the Gulf is in essence a war to scramble for oil interests. After the war, if the oil price is still manipulated by the United States, such oil-poor countries as Japan, Germany, France, and Italy will see their capacity to resist economic recession and inflation decline, and they will also lose the Middle East market. Thus, the struggle between the Western countries will be intensified, as their interests cannot be balanced. This will give rise to differences between them on Middle East policy. Various cliques with different intentions will cause the realignment of various forces in the Middle East. This will become the root cause of various disputes, and the Middle East will become more disturbed.

XINHUA Issues Replacement Commentary on Gulf
OW1601125091

Beijing XINHUA Domestic Service at 0920 GMT on 16 January carried a service message instructing that the XINHUA commentary on people wanting peace in the Gulf situation, transmitted at 0708 GMT on 16 January, and published in the 16 January China DAILY REPORT, page 1, be scrapped and replaced by another version.

A comparison of the two XINHUA Chinese versions shows that they are identical except for the following variations:

Column two, subslug reads: [Boyuan: "Short Commentary: Fight for Peace, Stop the War!"] (adding words)

Page two, column one, paragraph two, only sentence, reads: The danger of war has loomed large. And if a war breaks out, it will bring losses and sufferings to all people.

Specifically because of this, for days, people do not want war, however. (adding sentences, rewording)

Paragraph four, penultimate sentence reads: The 10 million or so workers in the country staged a general antiwar strike for five minutes.

In Iraq yesterday, five million people across the country staged mammoth parades to support President Saddam's determination to "defend" Kuwait. (deleting last sentence of paragraph four, deleting all of paragraph five, and deleting first sentence of paragraph six and rewording next sentence)

Paragraph six, sentence three reads: On the other hand, people complained privately: "We only had two years of peace." A Gulf war would only mean even greater agony and disaster for the Iraqi people. (deleting 160 sentences)

Same paragraph, same sentence reads: A Gulf war would only mean greater agony and disaster for the Iraqi people.

Iraq should withdraw from Kuwait, and the Gulf crisis should be settled in a peaceful way. This is the will of the people. As long as there is a ray of hope, the people of all the countries in the world will fight for peace and stop war. (deleting last sentence in paragraph, rewording final paragraph of article)

Economic Impact of Gulf on Asia-Pacific Viewed
OW1801210291 Beijing XINHUA in English
1550 GMT 18 Jan 91

["Roundup: Economic Impact of Gulf War on Asian-Pacific Countries"—XINHUA headline]

[Text] Hong Kong, January 18 (XINHUA)—The Gulf war have caused serious economic problems to many Asian-Pacific countries.

Among the most widespread worries are the evacuation of workers employed in the war region, possible shortage of crude oil and petroleum products, and rises of oil prices.

Indian Prime Minister Chandra Shekhar said on January 17 that India and other Asian countries "will bear the brunt of the war in a great way."

Indian press believed that a prolonged war in the Gulf would have serious ramifications for India's economy which will face a serious problem in obtaining crude oil and petroleum product supplies. Another problem for the country is that 1.3 million Indians are now still in various Gulf countries.

India's domestic oil production is now sufficient to meet about 63 percent of the demand. The country needs to import a minimum of 1.6 million tons of crude oil and 600,000 tons of petroleum products every month to meet its minimum requirements. Over 90 percent of the imported oil are from the Gulf. Prospects of obtaining petroleum supplies from alternate sources are not bright.

The Indian Coal Department has drawn up a three-point contingency plan for substituting kerosene and liquefied petroleum gas with coal in view of probable energy shortage.

The impact of the Gulf war on India's exports will be greater than expected. The Indian Government has recently adopted a medium-term strategy to achieve an export growth of 18 percent in U.S. dollar terms annually during the next three years. In view of the Gulf war, the calculations appear to have gone awry, Indian officials were quoted by the press as saying.

It is now expected that India's exports not only to the Gulf, which amount to 17 billion rupees (970 million U.S. dollars) annually, but to the industrialized economies, will take a beating.

In Bangladesh, the safety of an estimated 400,000 Bangladeshis in the seven countries of the Gulf is receiving the top priority of the government.

In Dhaka, capital of Bangladesh, after the outbreak of the Gulf war, the first sign of anxiety was visible at the petrol filling stations which were crowded with vehicles of all descriptions, although a government spokesman told newsmen Thursday that food and oil stock was satisfactory. There were also panic-buying in the grocery markets.

In Sri Lanka, the government is appealing to the international community to help bring back its workers caught up in the Middle East. Official figures show that there are now 350,000 Sri Lankans in the Middle East countries.

Sri Lankan Power and Energy Minister Chandra Bandara has appealed to the public not to hoard petrol, diesel or kerosene. Motorists in Colombo are seen queuing to fill their tanks and some filling stations have exhausted their regular stocks.

Sri Lankan Industry Minister Ranil Wickremasinghe told reporters Thursday that the country had three months' stock of fuel and the government had been assured of oil supplies from Iran, Malaysia and Egypt.

Queues in front of petrol stations in Colombo were much shorter today. It was reported that "the Sri Lankan psyche has shifted from initial panic to cautious consideration of the economic fallout of the Gulf war," "the tea industry in Sri Lanka was praying today for a calmer Gulf through which most of the tea in the country will have to pass." [sentence as received]

In the Philippines, President Corazon Aquino Thursday assured her nationals of enough supply of necessities and asked them to keep calm after the outbreak of Gulf war. Meanwhile, it was reported that Filipinos in the Gulf countries started their evacuation on January 15. Out of 700,000 Filipino contract workers in the Middle East, there are 371,000 in Saudi Arabia with 90,000 deployed in Saudi's eastern border regions with Kuwait and Iraq.

In Singapore, trade sources said Thursday that it will take six to eight months for adverse effects of the Gulf war to filter through to Singapore, but a lot depends on the length of the war. They believed that a prolonged war in the Gulf will accelerate the slowdown in growth of

Singapore's non-oil domestic exports and re-exports which account for 48 percent and 35 percent respectively of the country's total exports.

Singapore depends heavily on oil supply from the Middle East which accounts for more than 65 percent of Singapore's total oil imports. However, some economists said, the impact of higher oil prices could be offset by gains from higher prices of oil products as Singapore is an oil-refining center in the Southeast Asian region.

Among the six countries of the Association of Southeast Asian Nations (ASEAN), the economy of Singapore, Thailand and the Philippines are affected by oil price increases. But higher oil prices have helped the oil-producing countries of Malaysia, Indonesia and Brunei.

In Australia, the economy of which is already in recession, an economist with the National Australia Bank has said that a prolonged war in the Gulf would further damage business confidence in the country, and via world recession, lead to a balance-of-payments crisis for Australia.

PRC Protests French Minister's Taiwan Visit

OW2301111691 Beijing XINHUA in English
1106 GMT 23 Jan 91

[Text] Beijing, January 23 (XINHUA)—China has lodged a protest with the French Government against a minister-led French delegation's visit to Taiwan, according to a spokesman of the Chinese Foreign Ministry today.

Chinese Assistant Foreign Minister Jiang Enzhu recently summoned, upon instruction, French Ambassador Claude Martin to the Foreign Ministry to lodge the protest with the French Government against the recent visit to Taiwan by a French delegation headed by Industrial Minister Roger Fauroux, the spokesman said in an interview with XINHUA on the Chinese Government's response to the visit.

In addition, the spokesman noted, the Chinese side has on other occasions expressed its solemn position to the French side.

In the protest, Jiang pointed out that, "We have stated on many occasions that we have no objection to non-governmental trade contacts between Taiwan and the countries that have diplomatic relations with China, but we are firmly opposed to the establishment of official relations between those countries and Taiwan and their contacts of an official nature."

Being an important member of the French Cabinet, Mr. Fauroux led a delegation to Taiwan for a visit, but the French side called it a "private visit," Jiang noted. "This is totally untenable," Jiang stated.

The wrong actions of the French side have violated the principles for the establishment of diplomatic relations

between China and France and contravened its commitment to the recognition of one China, Jiang said.

"This is absolutely unacceptable to the Chinese side," he said.

"We call on the French side to proceed from the overall interests of Sino-French relations, strictly comply with the norms governing international relations and the principles for the establishment of diplomatic relations between China and France, honor in deeds, instead of paying lip service to, its commitment to the recognition of one China, and guarantee against recurrences of such incidents in the future," Jiang said.

XINHUA Explains Reverses in World Oil Market

OW2001142791 Beijing XINHUA Domestic Service in Chinese 0928 GMT 19 Jan 91

[*"News Analysis: 'What Causes the Reverses in World Oil Market?'"—by reporter Qiang Yucai (1730 3768 2088)*]

[Text] Beijing, 19 Jan (XINHUA)—The world oil market's reaction to the outbreak of the Gulf war is entirely beyond the expectations of many international oil analysts. Oil prices have taken a drastic plunge, rather than a steep climb.

At the world's largest oil futures market, the New York Mercantile Exchange, the closing price of U.S. West Texas light sweet crude oil for delivery in February was down \$10.56 per barrel during the first day of the Gulf war. Such a drastic fall has been rare in recent years. Shortly after that, on 18 January, the price dropped again by \$2.19 to \$19.25 a barrel, the lowest level since the start of the Gulf crisis. During that period, similar occurrences were also reported in oil futures and spot markets in Europe, Asia, and other regions.

Before the outbreak of the Gulf War, many international oil analysts generally agreed that once the Gulf crisis developed into a war, oil prices would rise sharply to \$40 or \$50 a barrel. Some U.S. oil experts even asserted that as soon as the Gulf war erupted, oil prices would "explode" to \$100 a barrel.

The reality of war-time oil markets has dealt a dashing blow to these seemingly reasonable predictions. What has caused this situation that differs so much from the experts' predictions?

First, the oilfields and oil-supply facilities of Saudi Arabia, the world's largest oil supplier, have remained undamaged. Their average daily oil output has risen to 8.2 million barrels from 5.4 million barrels before the start of the Gulf crisis.

Second, the Western industrialized nations have taken strict preventive measures against excessive oil price hikes that a Gulf war might cause. On 11 January, the International Atomic Energy Agency adopted a contingency program for ensuring oil supplies in case a Gulf war erupted,

requiring that its members, when necessary, use 2 million barrels from their strategic petroleum reserves each day and reduce the daily oil consumption by 500,000 barrels. Therefore, the outbreak of the Gulf war immediately put this program to work. Although the oil market is not short of oil, the United States, Japan, West Germany [as received] and other member nations still draw oil from their strategic oil reserves to supply the market.

Third, some oil-producing nations and petroleum companies have stockpiled oil, which they plan to sell at higher prices in case of a war.

Fourth, the pressure of high oil prices and the economic slowdown are reducing oil demand in the Western world.

Facts have shown that both oil-producing and oil-consuming countries, and both petroleum sellers and buyers have been fully prepared, materially and psychologically, for the outbreak of this war.

OPEC had continued to implement the policy of liberalizing oil production before the Gulf war broke out. As a result, the present OPEC daily oil output has reached 23.5 million barrels, its highest output level since 1981. This has not only made up for the daily shortage of 4 million barrels of Iraqi-Kuwaiti oil, but also exceeded the market's oil demand.

In a word, there is an adequate supply of oil in the world market, and the world is not running short of oil. No wonder oil has been flowing into the market in an endless stream since the start of U.S. air bombing of Iraq. As there are few customers around, powerful pressure has built up suddenly that is forcing oil prices down.

Soviet, East European Situation Viewed

HK2001031891 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 2, 14 Jan 91, pp 32-33

[Article by senior editor Cui Qi (1508 1142): "Development of the Situation in the Soviet Union and Eastern Europe Remains To Be Seen"]

[Text] In the past year there were noticeable developments in the Soviet Union's domestic situation.

The programmatic guideline adopted by the 28th CPSU Congress in July marked changes in the CPSU's position and in the Soviet Union's political and economic system in the following aspects: First, the political system would change from a one-party system to a multiparty system. Second, the state's highest policy-making center would shift from the CPSU Central Committee Politburo to the USSR president and the Supreme Soviet. Third, the state system would change from a "unitary union of Soviet states" to a "union of republics with sovereign rights." Fourth, in the economic field, the planned economy would be replaced with an "adjustable market economy."

In the past year, social unrest continued in the Soviet Union. On 16 November, President Gorbachev said: "The domestic political situation has become more

complicated and serious. The tension in racial relations has not been mitigated, and it bears a dangerous characteristic in some localities." "Presently, real political and power struggles are under way." "The struggles are antagonistic, and their participants are unscrupulous." "A tense atmosphere exists in society." This analysis reflected the seriousness of the Soviet Union's domestic political situation.

The Soviet economic situation has also seriously worsened while there was turbulence in the political situation, union relations were loosened, and chaos appeared in the social order. According to data from the Soviet Union State Statistical Commission, in the first 10 months of 1990, the national income declined by three percent compared with the same period of the previous year [1989]; the industrial output value declined by 0.8 percent; the social labor productivity declined by two percent; and the national income in the whole is expected to decrease by about 20 billion rubles. That is to say, a negative growth rate that was first seen in the postwar period has appeared in the Soviet economy. There was an unprecedented shortage of goods in the domestic markets; prices were rising; inflation was deteriorating; black markets ran rampantly; no good harvests were reaped in agriculture, although yields were not bad; and the food supply in some large cities was short.

PRAVDA published President Gorbachev's speech on 7 December, which was worth noticing. He said: We should now clearly note this situation. Without a stable political situation and the executive bodies that can effectively function from top to bottom, then nothing will be accomplished. On another occasion, he stressed that "we should adopt tough measures for stabilizing the plan" and "should take a tough position to firmly oppose various destructive actions."

According to the seriousness of the political turbulences and the economic difficulties that the Soviet Union is facing, it is hard to resolve the problems in a short time. The development of the Soviet situation in 1991 still needs to be observed; however, the Soviet Union has conducted socialist construction for over 70 years. Socialism has laid a profound foundation among the people. At present, the CPSU still holds a ruling position in the union and in most republics of the union, and still indicates that the party will not give up socialism and that the union after reform will remain socialist in nature. At the same time, there still exists great potential in the Soviet economy. I believe that the Soviet people, who have experienced untold hardships and surmounted innumerable difficulties in the past, will be able to overcome any difficulties they encounter when advancing along the socialist road.

The normalization of Sino-Soviet relations in 1989 has positively influenced the international situation, and I hope that Sino-Soviet relations will further develop in the new year.

In 1990, the political situation in Eastern Europe continued to be turbulent, and some noticeable phenomena and changes continued to occur: First, after the United Workers' Party of Poland was defeated in the 1989 election, the communist parties (some have changed their names to socialist party) in some other Eastern European countries also failed in general elections, lost state power, and were reduced to opposition parties. Anticommunist waves appeared in some counties, and many communists falling out of power suffered political discrimination, purge, and persecution. Second, after the opposition parties came into power and formed new governments, new opposition parties continued to appear in society. In some cases, splits and reorganizations occurred inside some ruling parties or political cliques. This made the power struggle in these countries more complicated. It also showed that turbulence in the social and political situation in these East European countries would continue.

After drastic changes occurred in the political situation of the six East European countries, they all pursued the economic policy of denationalization and privatization. In this process, they all encountered tremendous difficulties, and their economic conditions became more chaotic and worse with unemployment increasing and the people's living standards declining. About the conditions in this aspect, U.S. NEWS AND WORLD REPORTS issued an article on 3 November, saying that one year after the "intoxicating" drastic changes in Eastern Europe occurred, "illusion was greatly reduced," and "the prospects of practicing the free market mechanisms remain uncertain." "The hope that Western companies would pour investments into Eastern Europe and bring about expected good fortune did not come true."

This magazine said: "All people think that the 1991 situation will be painful." It held that "it may take several decades rather than several years" for Eastern Europe (excluding East Germany) to realize a fundamental turn for the better in its economy and to catch up with the developed nations. Moreover, the 130 million people in this region "may not be willing to pay the necessary high costs for the realization of this turn."

Eastern Europe is the focus of many contradictions in the contemporary world. As far as the whole world is concerned, the occurrence of the drastic changes in Eastern Europe was the result of the interaction of these contradictions, and was the result of the changes in the European and world political patterns and in the Yalta structure taking shape in the postwar period. Eastern Europe's drastic changes in turn further promoted the changes in the European and world strategic patterns. After changes occurred in the East European countries, they were estranged from the Soviet Union and moved closer to the West. In particular, the reunification of the two Germanys brought about a strong Germany on the European and world maps, and this further disintegrated the Yalta structure characterized by the confrontation of the two poles of the United States and the Soviet Union. The world's multipolar tendency is developing. The

changes in the East European political situation not only had a strong impact on the international communist movement and brought about the upsurge of an anticommunist tide in the world, but also caused greater difficulties to the Third World. In Europe, and in many other regions of the world, territorial disputes, national contradictions, and regional conflicts are likely to further intensify. All this shows that the strategic equilibrium that lasted 45 postwar years in Europe was upset, and major changes would occur in the world's strategic pattern. Before the new equilibrium is built, however, many unstable factors will exist in the world, and they will engender new conflicts and turbulence. We still need to cool-headedly see to which side such major changes in the world situation will be favorable and to which side they will be unfavorable.

Group of 7 Expects Global Economy To Pick Up

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0159 GMT 22 Jan 91

["G-7 Expects Global Economic Pick-Up Later This Year (By Xue Limin)"]—XINHUA headline]

[Text] New York, January 21 (XINHUA)—The finance ministers of Group of Seven (G-7) industrialized nations ended their two-day meeting here today, expecting the world economy to pick up later this year.

The ministers said in a statement that although growth in all their economies had slowed, "expansion of the world economy continues, and the pace of activity could be expected to pick up later this year."

They noted that growth remains "particularly strong" in Germany and Japan.

The ministers, as well as governors of the G-7 central banks, also discussed the situation in global financial markets in light of uncertainties arising from the Gulf war.

"We see relative stability in the financial markets," said U.S. Treasury Secretary Nicholas Brady at a press conference after the meeting. "As long as financial market stability continues, we are not going to intervene."

However, he added, "we are ready to discuss any changes" that occur concerning instability.

In the next few months, he said, if currency markets move drastically in any directions, the ministers will pick the phone to talk about it and that "we may do something about it."

It is difficult to predict the movements of the U.S. dollar, he said. "I don't think anybody is smart enough to know where the dollar will go."

The finance ministers and central bank governors of the United States, Britain, Canada, Italy, Germany, France, and Japan attended the meeting at the Stanhope Hotel at 81st Street and Fifth Avenue.

Michael, H. Wilson, the finance minister of Canada, told a press conference after the meeting that the financial market stability reflected that "oil supplies are not endangered" by the Gulf war.

But he warned that the war is only five days so far and that "there could be ups and downs."

But "we ministers intend to cooperate more strongly," he said.

With regards to war burden-sharing, U.S. Secretary Brady said he had talked with the ministers of Japan and Germany.

Japan said they will make new commitments concerning burden-sharing, and, as to the size and forms of the new commitment, "they will make their own announcement," said Brady.

Article Views Stability, Changes in World

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[Article by Chen Qurong (6186 0648 2837), deputy director of the Institute of Contemporary International Relations: "The World Seeks Stability Amid Changes";

[Text] The most prominent feature of the world situation at this current stage is none other than the remarkable changes in the international strategic pattern and the resulting great readjustments in global international relations. This distinctive feature will leave a deep imprint in the international situation of the new year.

First, let us look at the readjustment of relations among big powers.

The bipolar structure based on the Yalta system and characterized primarily by U.S.-USSR and East-West military confrontation has fundamentally been broken, while a new multipolar structure is taking shape. In the new year to come, the major forces represented by the United States, the Soviet Union, China, Japan, and Europe will continue to readjust their previous relations and lay the foundation for the establishment of new relations, but the degree of readjustment will not be big nor will the pace be too fast. The main trend is detente. At the same time, however, elements of instability exist in the detente.

Further intensification of the process of detente between the Soviet Union and the West may be expected. Gorbachev is seeking to establish a "northern hemisphere cooperation belt." U.S.-USSR relations are moving from "a search for common points to the establishment of mutually beneficial channels and mechanisms." The two sides will continue to remove the "remnants of the cold war," define the aspects and arms control under a "post-cold war order," and endeavor to coordinate and cooperate on issues such as the resolution of regional conflicts. Western Europe will continue to "extend the hand of friendship" to Gorbachev so that no serious

upheaval may take place in the Soviet Union and cause it to reverse its policies. Meanwhile, the Soviet Union will exert further efforts to consolidate, substantiate, and expand the newly established "friendly cooperation and relations" between itself and Europe. Gorbachev also said that the "northern hemisphere cooperation belt" cannot do without "new USSR-Japan relations," as he expressed high hopes on Japan. Japan has also been nurturing expectations on the return of the four northern islands. It appears that USSR-Japan relations will not remain stagnant and, to a certain degree, a breakthrough could possibly happen. On the other hand, elements of uncertainty and instability also exist in spite of the detente between the Soviet Union and the Western powers; for instance, uncertainty in the Soviet political situation and ambiguity in its future; the West remains wary of the strong military might of the Soviet Union and is concerned about a sudden change in the Soviet situation. Also, with the changes in the original balance of power between the two sides, the problems of a certain degree of power imbalance and confusion in strategic readjustment do exist.

The competition and harmony among the United States, Europe, and Japan will develop simultaneously, while confrontation is unlikely to materialize in the near future. Competition prevails in the economic domain; economic competition has progressed to the extent that spheres of economic influence are being drawn up, coordination has only brought about some nonbinding principles, and "consultative talks" could only force certain nonfundamental concessions. In the political field, coordination and cooperation remain the key features. The United States and Europe may be able to reach a compromise between the United States' "new Atlanticism" and Western Europe's "Europe for the Europeans." The United States will continue to play a vital role in Europe. Furthermore, the United States and Japan may be able to strike a balance between "burden sharing" and "power sharing," which will promote their "global partnership" to a certain degree. Reports indicate that Japan will propose "Kaifuism" in order to promote "democratization" all over Asia by means of economic and trade benefits. This constitutes not only an important step in Japan's own endeavor to set up a new international order, but also a strategic complement to similar efforts by the United States and Europe. It could be the result of a division of labor among the three sides.

Second, let us look at the development of situations in strategic areas. In the past year, there were three focal points in the international situation: One, changes and upheavals in the situation in the Soviet Union and Eastern Europe. Two, the unification of Germany and the collapse of the Yalta system in Europe. Three, Iraq's invasion of Kuwait and the ensuing Gulf crisis. These three events took place in the "heartland" and important "marginal belt" of the Euro-Asia continent. They showed that the situation in the world's strategic regions is very complicated: Clear-cut detente and grave tension

coexist. It is expected that in the new year, this complicated situation, characterized by the coexistence of both detente and tension and of both stability and upheaval, will continue to prevail in the strategic regions.

The situation in the Soviet Union is unlikely to stabilize in the short term, but tremendous upheaval will not take place either. A major trend has already emerged in the Soviet Union—that is, the majority of the people in the party, government, army, and civilian population do not want to see the collapse of the union and the breakup of the country and are demanding that Gorbachev adopt urgent and strong measures to stabilize the situation. Gorbachev too has emphasized that "it would not be possible to enter into a market structure without a stable political, legal, and economic situation." Through a readjustment of the structure of state power and establishment of new relations within the union, Gorbachev is trying to defuse the political and union crises as well as create the conditions to ease the economic crisis. Owing to the difficulty of ending the struggles between various political forces as well as to the intertwining of different crises, no fundamental change can be expected in a situation where politics are not working, people are in disharmony, directives are not enforceable, and no end is in sight. At the same time, the possibility of more isolated conflicts cannot be ruled out.

Along with the collapse of the Yalta system in Europe, a process for the redrawing of a new political blueprint in all of Europe has also begun. The situation in Europe will see further detente in the new year as the processes of disarmament, political rapprochement, and economic integration intensify. At the same time, many worrisome factors continue to exist in Europe. At the recently convened CSCE, President Bush said: "The ship of Europe is navigating into unknown waters." Mrs. Thatcher also said that Europe was entering a "period where backsliding would be very easy." The detente in the military confrontations between the United States and the Soviet Union and between East and West does not bring exclusively peace and joy to Europe. The concerned parties have entered into contention over the future of Europe and of their own future. The United States and Europe will continue to struggle for the leading voice in Europe. United Germany and many countries are locked in a struggle over restraint and counterrestraint. Meanwhile, the Soviet Union and Eastern Europe will undergo a painful process in their bid to become part of the European integration process, and all of Europe will continue to be troubled by unstable factors such as ethnic disputes, waves of refugees, and economic crisis. In a word, "a grim reality featuring new upheavals could appear" in a Europe in detente.

The Middle East is very likely to continue being very uncertain and volatile. Presently, the Gulf crisis is at its most crucial period. Both the United States and Iraq have moved to the crossroads between war and peace. The choice of war is extremely painful to both sides. As far as President Saddam Husayn is concerned, war

means defeat; a wise withdrawal of troops would be preferable to defeat in war. For President Bush, the losses could outweigh the gains of going into war. Militarily speaking, he will find it hard to control the space and time elements in a war; politically, he will find it hard to ensure that U.S.-Arab contradictions do not intensify again; economically, he will find it hard to absorb the blow dealt by a third oil crisis; domestically, he will find it hard to answer to antiwar people. For both Iraq and the United States, the wise choice would be a political settlement which would be beneficial to the two sides as well as to the peoples of the Middle East and of the world. After a political settlement of the Gulf crisis is completed, however, the question of whether peace and stability will prevail forever in the Middle East will still have to be determined by many factors. If peace and stability in the Gulf region is not guaranteed by the countries there but by the permanent stationing there of U.S. troops serving as policemen, new contradictions will definitely arise to add to the factors of instability. If the concerned parties and the international community do not take this opportunity to convene an international conference on the Middle East question, and to seriously deal with the Palestinian issue as well as the Arab-Israeli conflict, the Middle East will remain a "hot spot."

Third, let us look at the primary object of international exchanges and international struggles.

The enormous transformations in the world situation in recent years did not alter the primary concern of the world today. The search for peace and development remains the primary object of the world. The collapse of the bipolar structure of the postwar period took place peacefully, and the breakup of the military confrontation will bring about peace to a certain degree; however, the Gulf crisis has shown that either the collapse of the old order or the formation of a new structure would be accompanied completely by a regional crisis or an isolated clash. Peace still has to be defended and fought for, while development still has to be sought and struggled for.

Looking at the readjustments in the relations among big powers and developments in regional situations, it could be gathered that the principal themes in the new year's international struggles are: To oppose crisis and seek stability; and to readjust relations to establish a new pattern and set up a new international order. The former is most pressing, while the latter is most fundamental—and both are closely linked to one another.

A fundamental settlement of political and military crises as well as that of the tough question involving the world economy will depend on the creation of a new international order. Along with the falling apart of the old international structure, collapse of the old pattern, and breakup of the old order, the struggle for the creation of a new international order, which has been ongoing in recent years, will gradually enter a broader stage and will be integrated with the solution of concrete problems of the present time. Various instances have shown that the United States, Europe, and Japan have reached agreement

on matters involving general principles and basic methods—that is, to take advantage of the opportunity provided by the setbacks in socialism and by the serious economic problems confronting the Third World to apply their economic, scientific, and technological superiorities or military power to "promote world democratization" and create a new order founded on the principles of Western values and concepts, led primarily by Western powers, and dominated by capitalism. This has aroused the vigilance and resistance of socialist states and many Third World countries. This struggle is expected to intensify as more and more countries and people plunge into the struggle to establish a new order which will genuinely guarantee peace and promote development.

UN Envoy Urges Realism Toward Cambodian Problem

OW2201205091 Beijing XINHUA in English
1841 GMT 22 Jan 91

[Text] United Nations, January 22 (XINHUA)—China today urged the Vietnam and Phnom Penh regime to take a realistic attitude toward a comprehensive political settlement of the Cambodian question so that Cambodian refugees can return to their homeland at an early date.

Speaking at the U.N. meeting of donors to the Cambodian humanitarian assistance programs, Chinese Ambassador Jin Yongjian, deputy permanent representative to the U.N., said that the fundamental solution of the Cambodian problem, which came about as a result of foreign invasion of Cambodia 13 years ago, "lies in a comprehensive political settlement."

He said that over the years the international community has made tremendous efforts in order to achieve a solution to this question and the prospect for a political solution is in the offing.

The drafting of all the documents on a comprehensive political solution based on the framework of the five permanent members of the Security Council has been completed recently and this has created conditions for resuming the Paris Conference on Cambodia.

"It is regrettably," the Chinese ambassador pointed out, "that some parties concerned have come out again to create obstacles. They have once again rejected the relevant documents concerning a political settlement and continued to make additional issues on the composition of the Supreme National Council of Cambodia."

He said this undoubtedly "runs counter to the repeated appeal by the international community and the aspiration of the Cambodian people for peace."

He hoped that the Vietnamese and Phnom Penh authorities will see the situation clearly, follow the trend and take a realistic attitude, so that a comprehensive, fair and reasonable political solution can be achieved as soon as possible and tens of thousands of Cambodian refugees can return home at an early date.

He told the meeting the Chinese Government will continue to make a donation to the U.N. Border Relief Organization for the Cambodian refugees inside Thailand.

Article on 'Spectacular' Changes in Europe

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[Article by Zhang Yunling (1728 5686 1545), deputy director of the Institute of Western European Studies of the Chinese Academy of Social Sciences: "Spectacular Changes in Europe"]

[Text] Great changes have taken place and are taking place in Europe. They are changing Europe and affecting the world.

The changes in the Soviet Union's domestic and foreign policies, the great changes in the East European countries, and the reunification of Germany have smashed the European pattern formed after the World War II and put forth many pressing tasks for Europe. In 1990, the change from the old pattern to the new will determine the main orientation of the political development in Europe. The main contents of political activities in Europe are to establish a new and stable security structure, to put the unified Germany under the restriction of the overall European mechanism, and to cautiously handle the new contradictions that have already become sharper (especially those caused by nationalism).

In its political development, Europe will concentrate its main strength on stepping up the construction of a new security structure there. At present, there is already a rough sketch of the new European security structure. It mainly consists of the following three parts: First, the Conference on Security and Cooperation in Europe. It will develop from a forum toward a permanent organization of collective coordination and become an international security organ in Europe which has certain policymaking and management functions. Second, NATO. With the ending of the cold war and the gradual disintegration of the Warsaw Treaty Organization, the antagonistic function of NATO will be greatly weakened. It will play a "super-stable role" in military affairs and be used to prevent threats from any directions. Third, the European Community. As increasingly more countries are demanding to join the EC, this organization is developing from a West European organization toward a pan-European organization. In this new development, its political organization and structure as well as its functions will inevitably be strengthened. In 1990, the development of political alliance began to be placed on the agenda, and more concrete plans and measures for it are being drafted.

The changes in the European economic pattern are also spectacular. The most important change is the establishment of a unified big market of the community. Over the past few years, the effort in this respect has been developing smoothly. Most proposals on legislation have been completed, of which 70 percent have been adopted by the council. It seems that by the end of 1992, they may

basically reach their desired targets. The development of the unified big market has brought about enormous changes to the economic policies, economic structure, product mix, and management forms of the member states and further increased their degree of economic integration. Conditions have thus been created for various member states to develop scale economy, enhance competitiveness, and carry out technological innovation.

With the development of the unified big market, the first stage of the economic and monetary alliance was already started from 1 July 1990 and the targets for the second stage starting from 1 January 1994 have already been set. The ultimate target of the economic and monetary alliance is to establish a unified central bank for Europe and adopt a unitary European currency so that the economic and monetary policies of various EC member states can be well harmonized and unified. Although there are still many difficulties in reaching this target, the trend of this development seems to be irreversible.

Construction of the European economic zone is being stepped up. The two economic groups established by the West European countries after the war—the European Community and the European Free Trade Association—began to adopt joint measures at the beginning of the 1970's to realize the duty-free trade of their industrial products. Since 1989, they have held many talks on the scheme for establishing a West European economic zone. The construction of this economic zone seems to be imperative. On the one hand, the association between organizations will be established through the existing economic organizations. On the other, the member states of the European Free Trade Association have applied for the EC membership one after another. In fact, the West European economic zone is the extension of the unified big market of the EC. It will greatly improve the environment and conditions for the economic growth in Western Europe.

The further unification of the European market will continue to be strengthened because of the under-mentioned two-way development: The East European countries are stepping up their transition toward the market economy, making themselves closer to the West European economic structure, and shifting the focus of their foreign economic relations to Western Europe; while Western Europe is speeding up and deepening its economic infiltration into Eastern Europe through providing aid, increasing trade and investment, and making special and preferential arrangements. Judging from the short-term and medium-term developments, it is quite possible that the European economic pattern will "take the EC as the nucleus, the West European economic zone as the basis, and Eastern Europe as an extension," just as President Delors of the EC Commission thought. In the future, there is still the possibility that most European countries will join the EC.

Of course, there are many contradictions and dangerous factors in Europe, which is undergoing enormous changes. On the question of establishing a new security

system, there are still many difficult problems relating to the trend and role of the Soviet Union, the relations between the United States and Europe, the development of Germany, and the restrictions on Germany. At the same time, the clashes arising from the revival of nationalism have sharpened various dangerous factors. How to appropriately handle these contradictions is a matter of vital importance. There are also some fundamental differences among the EC member states on deepening economic integration. Moreover, the difficulties of the Soviet Union and the East European countries in changing their economic patterns and the factors of instability arising therefrom have also become many obstacles for the development of the European market. Therefore, the economic growth in Europe will be restricted by many factors and we cannot be overoptimistic about its future.

Conference on Nuclear Test Ban Treaty Ends

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2239 GMT 18 Jan 91

[Text] United Nations, January 18 (XINHUA)—The amendment conference of the states parties to the 1963 Partial Nuclear Test Ban Treaty (PTBT) ended today with no progress on the converting of the PTBT into a comprehensive nuclear test ban treaty (CTBT).

Speakers at the conference, which began on January 7, stressed that a comprehensive ban would serve as a barrier to nuclear proliferation, prevent the development of new nuclear weapons and facilitate an end to the arms race.

But the United States and Britain rejected any proposal for immediate approach to a comprehensive ban. They insist on the view that nuclear weapons served as a deterrent to war.

Many participants rejected the view. It is widely recognized among the participants that the conference is a total failure.

The conference called upon all the depositary powers of the PTBT—the U.S., the Soviet Union and Britain—to fulfill their treaty obligations and pursue a comprehensive ban.

United States & Canada

Article on U.S. Global Strategy

HK2201133591 Hong Kong LIAOWANG OVERSEAS
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[Article by Sa Benwang (5646 2609 2598), senior research fellow of Beijing Institute for International Strategic Studies: "U.S. Global Strategy and Its Impact on the Global Pattern"]

[Text] The international situation is undergoing the most extensive and most profound changes since World War

II. The United States has been regarded as the number one capitalist superpower since the war, and its global strategy is also experiencing the most profound readjustment and changes since then. Such changes are a reaction to the changes in the international situation and, conversely, are producing and will continuously produce great effects on the international situation. Like today's international situation, the readjustment of the U.S. global strategy also has many unstable and uncertain factors.

What is the new U.S. global strategy? That is to say, what is the Bush administration's global strategy? I intend to deal with three views.

First, the background to the formation of the U.S. global strategy. Internationally, the new situation presents challenges to the United States and also provides it with new opportunities. The main changes are as follows: 1) The United States' adversaries have changed. U.S.-Soviet relations have developed from confrontation to cooperation. The Soviet Union is declining quickly from the status of a superpower. It is therefore likely that, for the first time in its global strategy, the United States no longer has a definite unique global adversary. 2) The development of the tendency toward multipolarization makes the United States face pluralized and diversified challenges. Multipolarization implies the ability to change and frequent chaos and signifies the weakening of the U.S. controlling and influential power. The nature of the threats to the United States has changed. In the cold war period, with the U.S.-Soviet confrontation as the main aspect, the security of the United States proper faced direct threats. With U.S.-Soviet relations further mitigated, and regional instability aggravated, it will threaten the security of the United States proper. 3) The realm of challenge has also changed. In the relaxed international situation, U.S.-Soviet confrontation becomes competition between their comprehensive national strengths. While the Soviet Union's military threat is being reduced, the contradictions between the United States and its allies, especially Germany and Japan, are tending to increase. There are also changes in the regions that the United States needs to follow with interest. Because of the disintegration of the Yalta system, the situation in the confrontation between NATO and the Warsaw Treaty Organization continues to change. Although unstable factors exist in Europe, such factors appear to be partial factors, internal factors within individual countries, or factors between two countries. Because two major groups are no longer confronting each other, a more stable situation, rather than a situation of more turmoil, should, on the whole, prevail in Europe. It is likely that Europe will no longer become a hotbed of war, and this is very important to the readjustment of U.S. strategy. Over the past 40-odd years since the World War II, the United States has always regarded the possible outbreak of war in Europe as a starting point in considering its strategy for its own security. It is now most probable that the United States will no longer regard this as a starting point. Meanwhile,

the contradictions between North and South are developing; the situation of more turmoil and a more unstable situation are emerging in Third World regions; regional powers are contending for regional hegemony; all historical, realistic, religious, national, and border disputes are naturally developing accordingly. In this situation, the United States is paying closer attention to the regional challenges. Because of these changes, those in authority in the United States and the Bush administration maintain that there are opportunities and challenges. They feel that the opportunities are bigger than the challenges, and the factors favorable to the United States are greater than the unfavorable factors.

Let us talk about the background in the United States. Regarding the views of two groups on the status quo in the United States, there is a heated argument in the 1990's. One group maintains that the United States is declining, while the other holds that the United States is thriving. The view of the ruling Republican Party and the principal group, however, is that since the "Reagan revolution" and the pursuit of "Reaganism" in the 1980's, the actual status of the United States has been strengthened. Therefore, the United States is not declining, but thriving. The U.S. economy continuously increased by an average of 3.5 percent in 1982 and 1983, dropped slightly to 2.5 percent in 1987, and is worse this year. The United States has obviously won a superior military status. The United States holds that neopatriotism and the cohesive force are on the increase. The leadership status of the United States among its allies is also strengthened. The United States is taking this opportunity to cope with the challenges. **Second, main contents of the U.S. readjusted strategy.**

1. The United States is making even more overweeningly ambitious strategic attempts to achieve global leadership status, to build up a new pattern conforming to its interests, and to form a great unified Western world with the United States and the West occupying the dominant position. Over the past 40-odd years, the United States had pursued a strategy of containment and a defensive strategy to prevent Soviet expansion. On 12 May 1989, Bush proposed that the Soviet Union and Eastern Europe should be included in the track of the West and drawn into the structure of the "free world" to build up a "complete free Europe." From the first half of 1989 to the second half of 1990, the changes in the international situation were concentrated on the changes in the Soviet Union and Eastern Europe. This was, in a sense, the strategy of supercontainment pursued by the United States, which was an effective strategy for "soft offense."

2. The United States has taken even more diversified strategic measures and placed emphasis on pursuing so-called democratic politics and the market economy in an attempt to establish international political and economic structures according to the U.S. pattern. Its work is expressed in: It continues using "soft offense" as the main method toward the Soviet Union and Eastern Europe; it has applied sanctions against and lured the other socialist countries without abandoning the channel

of peaceful evolution; it has used the yardstick of the so-called U.S. freedom, democracy, and human rights as the prerequisite for improving its relations with the developing countries of the Third World and providing them with aid.

3. It has acted as a world policeman and established an international security structure with itself as the leading body. The main manifestations are: Its focus on the issue of security is shifting from confronting the Soviet Union to coping with regional conflicts and from the security of the United States proper and Europe to the security of the Third World; it continues to pursue power politics, attaches importance to the role of military strength, and has a freer hand to use or threaten to use its military forces to deal with crises or regional conflicts, and the Gulf crisis may be called a test of the new U.S. strategy; the inclusion of the disarmament issue in the tentative plan for the international security structure and the importance attached to the role of the United Nations are fully reflected in the Gulf crisis.

4. It has readjusted the strategy regarding its allies and established a new type of partnership relations among its allies. The main manifestations are: It has changed from relying on the joint efforts of its allies to confront the Soviet Union to maintaining relations among its allies and strengthened its control over and influence on its allies; it has issued fewer orders but strengthened coordination and consultation; it has promoted cooperation with Europe and Japan; it has urged its allies to undertake more obligations and to play an even greater role, such as the strengthening of the role of NATO in this Gulf crisis and Japan providing aid of \$4 billion; it has attached more importance to strengthening the building of its comprehensive national strength and strengthened its actual strength status.

Third, existing questions in the readjustment of U.S. strategy. 1) The crucial issue is that the United States is more ambitious. The inherent contradiction—great ambition, a long battlefield, and insufficient actual strength—is even more conspicuous. The Gulf crisis exposes this weakness of the United States: Its battlefield is long, its actual strength is insufficient, it wants to act as a world policeman, but is actually a "beggar policeman," and it has to turn to Japan and Germany for money in many matters. 2) In dealing with the challenges from allied countries, the United States wants to readjust its relations with allied countries so that they are under its control and influence, and it appears that this can hardly be achieved. 3) Because the situation of the Soviet Union and Eastern Europe is still changing and it is difficult to foretell their future, the United States cannot but be on its guard. 4) The multipolarization and diversification of regional questions is becoming more complicated. In the Gulf question, even if the United States can win a victory tactically, its losses will be bigger than its gains strategically. Even if it wins militarily, it loses politically. 5) The signs of U.S. economic recession are increasingly obvious. The argument over war is very fierce at home and neoisolationism is gaining ground.

How the U.S. global strategy will be readjusted is, after all, uncertain because there are many unknown factors. The salient question is the Gulf crisis and the development and result of the Gulf crisis will produce very great effects on the readjustment of U.S. strategy.

Let us briefly talk about the effect of the Gulf crisis on the international strategic pattern. 1) Viewed from U.S.-Soviet relations, the position of the relations between the two countries has declined, but their relations are still a global issue. The basic situation of U.S. offense and Soviet defense and U.S. advance and Soviet retreat in their relations still continues. 2) In the long run, the United States pursues power politics to promote regional alliances and cooperation and this tendency is becoming clearer. The United States wants to establish its world leadership status and undertakes to control the world and this tendency has gone, never to return. 3) The United States adopts an attitude of promoting the integration of Europe. Although the United States has many misgivings, it has no way to deal with the issues, including the reunification of Germany. 4) While this method of the United States can expedite the alleviation of the contradictions between the East and the West, the contradictions between the South and the North and the contradictions within the East, West, South, and North further develop. The Gulf crisis is a manifestation of the unbalanced interests and strength between the United States and the Soviet Union in the Middle East. The effect of the development of the strategic relations in the West, especially among the United States, Japan, and Germany, on the world strategic pattern warrants attention. 5) The role of the United Nations will be strengthened, apparently, and the United States has adopted the method of both utilizing and controlling the United Nations.

Jiang Zemin Meets With U.S. Businessman

OW2101084591 Beijing XINHUA in English
0837 GMT 21 Jan 91

[Text] Beijing, January 21 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin met with Chairman of the American Foremost Group James Si Cheng Chao and his wife here this afternoon.

Present at the meeting were leading members of the China Corporation of Shipbuilding Industry.

U.S. Calls Events in Latvia 'Deeply Troubling'

OW2101054191 Beijing XINHUA in English
0455 GMT 21 Jan 91

[Text] Washington, January 20 (XINHUA)—The United States today called the event that took place in Riga, capital of the Soviet republic of Latvia, as "deeply troubling."

Deputy White House spokesman Bill Harlow said that the United States has "always called for the peaceful

resolution of problems in the Baltics and find the resort to violence to be deeply troubling."

Reportedly, the Soviet Interior Ministry's troops tried to capture the Latvian police headquarters, and clashed with separatists in the Soviet republic Sunday, who had occupied the building.

U.S. President George Bush was informed with the developments, but no word from him was reported.

In addition, the Soviet charge d'affaires was summoned to the U.S. State Department today to discuss the situation in the Baltics.

In recent days, the United States has closely watched the developments in the Soviet Baltic republics. The U.S. Administration even warned that if they believe that situation there deteriorates, that will have serious impacts on the overall U.S.-Soviet relations.

Soviet Union

Jiang Zemin Said 'Likely' To Visit Moscow

OW2301085091 Tokyo KYODO in English 0826 GMT
23 Jan 91

[Text] Beijing, Jan. 23 KYODO—Chinese Communist Party General Secretary Jiang Zemin is likely to visit Moscow by this summer at the invitation of the Soviet Communist Party, an East European diplomatic source said here Wednesday.

Jiang's visit, during rising conservatism in Moscow, would be the first official visit to the Soviet Union by a top party leader since Mao Zedong's visit in 1957.

Jiang's Moscow visit was approved during the general assembly meeting of the party's Central Committee last year. Chinese sources said the party is welcoming increasingly conservative policies of Soviet President Mikhail Gorbachev represented by military intervention in ethnic problems.

An East European source suggested that Jiang's visit is, in part, a courtesy call in return for a May 1989 visit to Beijing by Gorbachev which signaled an end to more than 30 years of division between the Communist giants.

Jiang, who replaced Zhao Ziyang in the wake of the Beijing crackdown on unarmed students and civilians, had planned to visit Moscow early last year, but the call was canceled due to economic and social reforms in the Soviet Union which were criticized by Chinese officials.

Instead, Chinese Premier Li Peng made a journey to Moscow last April.

The East European source said that the visit will give the Chinese party a chance to reaffirm the legitimacy of its policies.

Confidence among Chinese Communist Party members appears to have been bolstered by the Soviet Union's

economic troubles and the conservative swing in Moscow, evidenced by the recent crackdowns in the Baltic republics.

Chinese sources suggested that the Communist giants may have to increase cooperation, saying the United States appears to be increasingly prevalent in the world.

Gorbachev, Latvian Leaders Fail to Agree

*OW2201180391 Beijing XINHUA in English
1556 GMT 22 Jan 91*

[Text] Moscow, January 22 (XINHUA)—Soviet President Mikhail Gorbachev failed to reach agreement with Latvian President Anatolijs Gorbunovs and party leader Alfreds Rubiks on how to ease the tension in Latvia in their two-and-half-hour talks today.

According to the official news agency TASS, Gorbachev said that he is ready to continue to promote normalization of the situation and ethnic harmony in the three Baltic republics.

Participants agreed that the political and social situation in Latvia is extremely dangerous, which has already led to armed conflict and bloodshed, TASS said.

They all said that it is necessary to take measures to ease confrontation in the society and to normalize the situation through political dialogues, TASS added.

At a press conference in Moscow Monday, Anatoliy Donisov, chairman of the Soviet parliament's commission on ethics, said Gorbachev invited Gorbunovs and other republic leaders to come to Moscow to discuss the situation in the republic and a possible presidential rule in the breakaway republic.

However, Gorbunovs said after meeting with Gorbachev that "there is no ground to introduce the presidential rule in Latvia," according to Aris Yansons, press secretary of the republic's office in Moscow.

In an official statement released by the republic's office, Gorbunovs said rumors that the Latvian leaders might agree to introduce the presidential rule in the republic did not "reflect the stance of the Latvian parliament and government." "The purpose (of these rumors) are to prevent the republic leadership from realizing ethnic harmony" in the republic, Gorbunovs said.

On Sunday, a special operation unit of the Soviet Interior Ministry stormed the building of the Latvian Interior Ministry, and five people were killed and over 10 others injured in the exchange of arms, according to TASS.

Gorbachev Discusses Lithuanian, Latvian Incidents

*OW2301041091 Beijing XINHUA in English
0326 GMT 23 Jan 91*

[Text] Moscow, January 22 (XINHUA)—Soviet President Mikhail Gorbachev today firmly refuted all of the

"speculation, suspicion and slander" concerning the recent incidents in Lithuania and Latvia.

Speaking at a press conference, Gorbachev said that the tragedy which occurred in the capitals of Lithuania and Latvia "by no means represent the line of the Soviet president."

He expressed deep sympathy for those who were injured in the conflict, saying that the use of weapons must be investigated and an appraisal on the matter should be made based on Soviet law.

The president stressed that the tragedy was caused by the fact that some people in those republics "trampled on the state constitution, ignored presidential decrees, brutally ran against human rights, discriminated against residents of other nationalities and took an irresponsible attitude towards the military troops."

Observers here noted that Gorbachev apparently attributed the responsibility for the conflict to the supreme soviets and governments in the republics involved.

To end the conflicts, the Soviet leader said the republics' laws and decisions that ran counter to the Soviet Union's Constitution will be annulled.

The decision for any republic to leave the Soviet Union must be made through a referendum based on the will of the citizens there rather than by "blindness and arbitrariness," the Soviet president continued.

Any social organization, commission or front, whatever its political program, must strive for political power through constitutionally permitted channels instead of using force. Gorbachev vowed to fight against "any attempt to use force in political campaigns."

The president said that people are not allowed to take discriminatory actions against military troops stationed in any republic, while the troops are proscribed from acting in a presumptuous manner.

Gorbachev also condemned the statement issued by the Russian federation to independently establish republic troops, calling the move a "very dangerous (thing) to do."

He denounced remarks that the danger of dictatorship had appeared in his country, stressing that Soviet domestic and foreign policy remains unchanged.

The president said that the "internal affairs of the Soviet Union should be tackled by the Soviets rather than others."

Shenyang-Irkutsk Air Route To Be Inaugurated

*OW2201074691 Beijing XINHUA in English
0320 GMT 22 Jan 91*

[Text] Shenyang, January 22 (XINHUA)—Shenyang, the capital city of north China's Liaoning Province, will commence its direct flight service to Irkutsk, a major city in the south of the Soviet Union, on July 1, 1991.

The new air route was decided in an agreement made between the civil aviation departments of both countries in November last year. Two weeks of test flights, which are being carried out by chartered tourism planes, began on January 16.

Shenyang opened its airport to a twice weekly chartered service to Hong Kong on April 16, 1989. The service to the Soviet Union represents the city's second international air route.

Northeast Asia

Li Peng Remarks on Sino-Japanese Ties

OW1901133191 Beijing XINHUA in English
1316 GMT 19 Jan 91

["Li Peng Expects China, Japan To Play Due Roles in Building New World Political, Economic Order"—XINHUA headline]

[Text] Beijing, January 19 (XINHUA)—Chinese Premier Li Peng today said China and Japan should play their "respective positive roles" in the building of a new international political and economic order.

Li made the remark here this afternoon while meeting a delegation of young Japanese Diet members from the Liberal Democratic Party, which is led by Nakagawa Shoichi, chairman of a special committee for youth policy of the party and a member of the House of Representatives.

The "hard-won" development of Sino-Japanese relations resulted from the long-term efforts of the elder generations of the two countries, Li said. "The consolidation and expansion of such friendly ties is the duty of the statesmen not only of our generation, but also the younger generation as well."

Li expected younger politicians to carry forward the good tradition of friendship, saying "we place hope on the younger generation."

For that, he urged younger Japanese Diet members to pay more visits to China and have more contacts with Chinese youth, in a long-term effort to learn about China. "Thus, Sino-Japanese friendship will last from generation to generation."

Li, calling Japan "economically highly developed and technologically advanced," said the country should contribute to peace and stability in Asia.

He welcomed Japan's economic cooperation with China, saying the cooperation is mutually beneficial.

"We hope China and Japan will play their respective positive roles in building a new international political and economic order," the premier said.

Shoichi said the younger Japanese statesmen will make efforts and contribute to the friendship between the two countries, "with immense enthusiasm."

Comparison of Paper's Interview of Japan's Kaifu

HK1801063891

Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 1, published on 7 January, carries on page 8 a 1,200-character article by Zhu Ronggen and Ma Xinghua, entitled "Talking Freely About the International Situation and Japan-China Relations—An Exclusive Interview With Japanese Prime Minister Toshiki Kaifu by LIAOWANG Reporters." This version has been compared with the referent XINHUA Domestic Chinese version published in the 4 January China DAILY REPORT, page 8, and found to be identical except for the following variations:

Column two, paragraph one, sentence one reads: [Text] Special dispatch from Tokyo—During an exclusive interview with LIAOWANG reporters in Tokyo at the Prime Minister's residence on 28 December, at a time when the new year was approaching, Japanese Prime Minister Toshiki Kaifu said he... (noting variant wording)

Paragraph three, sentence one reads: Speaking on the development of and changes in the international situation in 1990, Prime Minister Kaifu said: The international community currently is in a period of historic change. (noting change from "1991" to "1990")

Paragraph four, sentence one reads: Minister Kaifu said: At a time when great changes have taken place in the structure of East-West confrontation, the cold war era has ended, and history is developing toward a new order of peaceful coexistence, Iraq's invasion of Kuwait runs totally counter to the aspirations of the people of the world. (noting additional material)

Page 9, column one, last sentence reads: However, the situation in this region is very complicated; destabilizing factors still exist in this region.

Prime Minister Kaifu said that regarding the world economy, on the one hand, structural changes caused by permeation of the market economy and deepened relationship of mutual-dependence are taking place; and, on the other hand, trends such as trade protectionism and economic nationalism, which threaten the free trade structure, the motive force of the post-war economic development of the world, have emerged. I wish success to the Uruguay round of trade talks, which are aimed at the establishment of a new international trade order in the 1990's.

Speaking on the international situation and the situation in the Asia-Pacific region in 1991, Kaifu said the following four trends are very important: (noting additional paragraph)

Paragraph three, sentence three reads: The only way to solve the crisis peacefully is for Iraq to completely

withdraw its troops from Kuwait. I strongly demand Iraq should do so. Only in this way can efforts to achieve stability in this region on the basis of dialogue and coordination be fruitful. 2) Development of the situation in the Soviet Union. A series of serious problems, such as economic and nationality problems, exist in this country. The future development of the Soviet Union's domestic situation has a great impact on the entire international situation. (noting additional sentences)

Paragraph four, sentence three reads: Steadily preserving and developing Japan-China relations has great significance not only to Japan and China, but also to the peace and stability of the Asia-Pacific region and the entire world. Japan attaches great importance to Japan-China relations. Based on the above understanding, I myself have always worked hard to restore Japan-China relations. At the seven-nation summit held in Houston last summer, I said that safeguarding and developing cooperation between China and other countries are of utmost importance to peace and stability of the Asia-Pacific region. What Japan and China can do is tremendous. (noting additional sentences)

Last paragraph, last sentence reads: Japan will do its best to cooperate with China to enable it to win success in its efforts to modernize the country on the basis of the policy of reform and opening.

Prime Minister Kaifu also talked about his visit, as education minister, to Turpan, Urumqi, and Dunhuang of China in 1988, which has given him deep and good impressions. He said he definitely will visit China in 1991 if the opportunity arises.

Finally, Prime Minister Kaifu expressed heartfelt regards to Premier Li Peng and other Chinese leaders and wish a good year to China in 1991. (noting additional paragraphs)

Japan To Provide 11 Billion Yen to PRC

*OW2201072891 Beijing XINHUA in English
0709 GMT 22 Jan 91*

[Text] Beijing, January 22 (XINHUA)—The Japanese Government will provide some 11 billion Japanese yen to China for the construction of an environmental protection research center and a Dunhuang cave treasures exhibition center.

The two projects, the China-Japan Friendship Environmental Protection Center (CJFEPC), for which Japan will offer 10 billion yen, and the Dunhuang Cave Cultural Treasures Preservation Research and Exhibition Center (DCCTPREC), which will get one billion yen, were earmarked for the funds by Japan's former prime minister, Noboru Takeshita, on his visit to China in August 1988.

Notes were exchanged between the two countries this morning for the coverage of the cost at the preliminary stages of the two projects. Japan will provide 243 million

yen for the CJFEPC and 72 million yen for the DCCT-PREC at this stage. The construction of the two projects is scheduled to last three years.

Shen Jueren, China's vice-minister of foreign economic relations and trade, and Hiroshi Hashimoto, Japanese ambassador to China, signed the notes here this morning on behalf of their respective governments.

Wu Xueqian Meets Mongolian President Ochirbat

*OW1901130391 Beijing XINHUA in English
1244 GMT 19 Jan 91*

[Text] Beijing, January 19 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with and hosted a dinner for Mongolian President Punsalmaagiyn Ochirbat and his wife at the Diaoyutai State Guesthouse here this evening.

The host and the guests had a cordial and friendly conversation.

Wu expressed his warm welcome to President Ochirbat for his stay in Beijing on his way to visit the United States.

President Ochirbat said that he was very pleased to meet Wu again in Beijing.

President Ochirbat and his party arrived in Beijing early this evening. Vice Foreign Minister Qi Huaiyuan greeted the Mongolian guests at the airport.

President Ochirbat and his party are to leave Beijing for the United States Sunday morning.

New Mongolian Government's Diplomacy Viewed

*HK1701085291 Beijing LIAOWANG in Chinese
No 53, 31 Dec 90 p 43*

[Article by LIAOWANG special reporter Badaercang (1572 6671 1422 0221): "The New Mongolian Government's Foreign Policy"]

[Text] Ulaanbaatar (LIAOWANG)—Simultaneous with the implementation of reforms in the country, the three-month old new government of Mongolia has decided to open up the country after several years of self-enclosure, and to formulate as well as carry out a foreign policy that is suitable to the unique conditions of the country.

The new government has explicitly announced that the purpose of a new foreign policy is to create an excellent international environment favorable to the economic growth of Mongolia. It gave priority to its relations with its two giant neighbors, China and the Soviet Union, in the general structure of its foreign policy, stressing the impartial development of friendly cooperation and good neighborly relations between Mongolia and China, and between Mongolia and the Soviet Union, and according equal treatment to the two countries. It emphasized the expansion of ties with China in the south and with the Soviet Union in the north, and through them, the

development of broad exchanges with all countries of the world and the endeavour to become an equal member of the international community. In the speeches of new government leaders and in articles in leading newspapers, the previous leaders were repeatedly criticized for their erroneous state policies. They were accused of discrimination in handling relations with China and the Soviet Union, and of leading Mongolia's foreign policy astray. The lessons from this experience were described as profound.

Since 1990, spectacular breakthroughs have been achieved in Sino-Mongolian relations. In October, Mongolia's head of state P. Ochirbat visited China right after assuming office and held friendly talks with President Yang Shangkun. Together, they wrote a new chapter in the development of Sino-Mongolian relations. The joint communique issued by the two sides reaffirmed the basic principles governing relations between the two countries as stipulated in the treaty on Sino-Mongolian friendship and cooperation, which was signed by Premier Zhou Enlai during his visit to Mongolia 30 years ago. The communique also erased suspicions and strengthened mutual trust. In November, P. Ochirbat again met with President Yang Shangkun during a stopover in Beijing on his way to Japan. Agreements on cooperation in science and technology, health, environmental protection, and others were concluded between the two countries this year. Comprehensive exchanges were also carried out by the two countries in the areas of economics, science and technology, culture, education, military, journalism, sports, workers' union, youth organizations, women, and academic affairs. More than 300 exchange visits by delegations were conducted, including more than 20 delegations of vice-ministerial rank and above. Individual tours and private visits also rose dramatically. The once-a-week Ulaanbaatar to Beijing train is always packed. Passengers have had to reserve train tickets two or three months ahead of schedule. Meanwhile, the Mongolian Airlines' flight from Ulaanbaatar to Beijing has not been able to keep up with the vast number of passengers since its inaugural flight. Mongolia's civil aviation authorities were forced to change the small airline with 50-person capacity to a Soviet-made "TU-154" airplane which can hold more than 150 passengers. In fact, the airline often had to fly both aircrafts or increase its flights. This year, the total volume of official trade between the two countries is expected to reach 100 million Swiss francs. Meanwhile, local and border trade between the two sides is soaring by leaps and bounds. To promote economic, technological, and material exchanges in the border regions of the two countries, the two governments have decided to open six more ports. Some small-scale cooperation projects between enterprises of the two countries have also been launched, while talks on other cooperation projects are still going on.

The correct handling of relations with the Soviet Union is a major diplomatic task confronting the new government of Mongolia. Speaking on Mongolia-USSR relations, some people in society have issued statements and articles contrary to the government's policies, sometimes using sharp language. The government and the ruling Mongolian People's Revolutionary Army have tried to convince people to cherish Mongolia-USSR friendship and to refrain from rash action by going from one extreme to another. According to a bilateral agreement, total withdrawal of Soviet troops based in Mongolia will be completed by 1992. As for Mongolia's debt of 11 billion rubles to the Soviet Union, the two governments have been looking for a mutually-acceptable solution and have each made some concessions. The new government of Mongolia has proposed "repayment, rescheduling, and exemption" as a solution—that is, starting next year, part of the ruble-denominated loan will be repaid in dollars, and part of it will be rescheduled, and another part will be exempted. Meanwhile, the Soviet side has only agreed to reschedule until after the year 2000, the repayment of a 400-million rubles loan.

The Mongolian government and ruling party's organ have repeatedly urged people to keep a clear head and not to forget the lessons from history: Friction with either China or the Soviet Union will be detrimental to Mongolia; friendly ties with either China or the Soviet Union will be greatly beneficial to Mongolia.

The new government of Mongolia also solemnly vowed to pursue a policy of nonalignment and to develop friendly exchanges as well as carry out mutually beneficial cooperation with all countries of the world. It attaches particular attention to development of relations with the United States, Japan, South Korea, and the ASEAN states, and will strive to bring in foreign capital and advanced technology. During a visit to Mongolia in August, U.S. Secretary of State Baker signed a consular treaty as well as an agreement for the dispatch of the U.S. Peace Corps to Mongolia. He also initialed a government accord on trade and reached an agreement in principle on the question of the United States' bestowing the most preferential national treatment on Mongolia. Meanwhile, Mongolia and Japan have already signed their first trade accord, and Japan has decided to accord the most preferential nation treatment to Mongolia. Mongolia's president went to Japan to attend the coronation rites of Emperor Akihito. In March this year, Mongolia established diplomatic relations with South Korea. The two countries have since signed a trade accord as well as reached an agreement in principle on an investment accord. Mongolia is also actively developing trade and economic ties with other western states. At the same time, it is seeking to gain admission into the Asian Development Bank, the World Bank, and the GATT.

Up to now, Mongolia has established diplomatic ties with 107 countries and has set up 28 representative's offices in 22 countries (including 21 embassies, five consulate generals, and two permanent representative offices). It is preparing to set up embassies in Seoul and Bangkok.

DPRK Party Delegation Arrives in Jilin 19 Jan*SK2001073091 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 19 Jan 91*

[Text] At the invitation of the CPC Central Committee, the seven-member delegation of the Workers Party of Korea [WPK], which is headed by Kim Yong-chun, secretary of the WPK Secretariat, and was accompanied by the Chinese officials including Zhu Shanqing, deputy head of the International Liaison Department under the CPC Central Committee, arrived in the city of Changchun on 19 January to pay a three-day friendly visit to Jilin Province.

Greeting the WPK delegation at the Changchun Railway Station were Gu Changchun, deputy secretary of the provincial party committee, and Li Jieche, director of the provincial foreign affairs office.

He Zhukang, secretary of the provincial party committee, cordially received the WPK delegation at the Nanhu Guesthouse that evening. During the reception, He Zhukang extended a warm welcome to the arrival of Korean guests and informed the WPK delegation of the province's natural conditions and achievements scored in building the socialist modernization. Kim Yong-chun, head of the WPK delegation, also delivered a speech in which he described the internal situation of the DPRK and his national advocacy of unifying the country and expressed that the WPK will further enhance the cooperation and opinion exchanges in this regard with Jilin Province and consolidate or develop the friendly relationship between the DPRK and the PRC. Attending the reception were Gu Changchun, deputy secretary of the provincial party committee; Gao Yan, member of the provincial party standing committee and director of the organization department under the provincial party committee; and Li Jieche, director of the provincial foreign affairs office.

That morning the WPK delegation paid visits to the units, including the Changchun No. 1 Motor Vehicle Plant and the Changchun Film Studio.

People Hope for Continuation of Dialogue*SK2001102591 Beijing International Service
in Korean 1100 GMT 19 Jan 91*

[Text] Officials of sports domains from the North and the South of Korea held a second round of sports talks at Panmunjom on 15 January. They discussed issues on the formation of a single team to participate in major international games and on implementing sports exchanges.

At the talks, the two sides agreed to form a unified team to participate in the 41st World Table-Tennis Championship. This is a pleasant result achieved in the North-South dialogue.

As is known to all people, the two sides of the North and the South of Korea held various talks at many levels and

had many contacts last year. Both sides not only held the third premier-level talks, but also carried out exchanges and contacts in domains of sports, culture, and art.

Figures from the North and the South of Korea held contacts at some international seminars and overseas.

As President Kim Il-song pointed out, the year 1990 was a significant year for recording a new page in the history of Korea's national reunification. The people hope that such dialogue and contact will continue in the new year.

For the North and the South to continue dialogue and contact, they should, above all, create and maintain a good atmosphere beneficial to dialogue. This is very important.

What the people are concerned with at this point, however, is that South Korea and the United States are going to stage the "Team Spirit" joint military exercise this year, too. As was proven in the past history, this exercise must be brought to an end by all means because it hinders the North-South dialogue.

National reunification is not only the ardent desire of all Korean people but also a national task of Korea.

In his New Year address this year, President Kim Il-song said that the North side of Korea will open the door of reunification dialogue for all fellow countrymen in South Korea and overseas, regardless of their affiliation of political parties, whether they be ruling or opposition parties, and of their political views.

Thus, the people hope that the South Korean side take similar steps so to continue North-South dialogue and contact in the future, too.

Southeast Asia & Pacific**Lao Supreme People's Assembly Delegation Arrives***OW2001143691 Beijing XINHUA in English
1311 GMT 20 Jan 91*

[Text] Kunming, January 20 (XINHUA)—A delegation from the Lao Supreme People's Assembly, headed by its President Nouhak Phoumsavan, arrived here by special plane at noon, starting an official goodwill visit to China.

The delegation is here at the invitation of the Standing Committee of the National People's Congress (NPC).

Greeting the delegation at the airport were Li Guiying, chairman of the Yunnan Provincial People's Congress Standing Committee and others.

Li Guiying held a banquet in honor of the delegation this evening.

Wan Li Meets Delegation in Shenzhen

*OW2201180091 Beijing XINHUA in English
1506 GMT 22 Jan 91*

[Text] Shenzhen, January 22 (XINHUA)—Wan Li, chairman of the National People's Congress (NPC) Standing Committee, met here today a delegation from the Lao Supreme People's Assembly, headed by its President Nouhak Phoumsavan.

Wan expressed warm welcome to his Lao counterpart on behalf of the NPC Standing Committee.

Wan briefed the visitors on China's economic development in the past ten years as well as the outlines for the economic development in the coming ten years."

The Chinese chairman said that facts have proved that China's policies of reform and opening to the outside world are successful and they will be continued.

He said that China and the Laos are close neighbors and their friendly contacts are time-honored, adding that in the past few years, the bilateral understanding and friendship were deepened by the exchange of visits of the leaders of the two countries.

The bilateral political and economic relations also enjoy a new development, he said.

He expressed the belief that the visit of the delegation will surely contribute to the development of the bilateral friendly and cooperative relations.

Wan said that the current world situation is undergoing a great change with the world setup changing from the old one to the new.

He reiterated China's independent foreign policy of peace, saying that China is willing to develop friendly relations with all countries, especially with the Third World countries, on the basis of the Five Principles of Peaceful Coexistence.

He stressed that China resolutely opposes global and regional hegemonism and is willing to work together with all peace-loving nations and people to promote stability and peace in the world.

The Lao president said that through his visit he has seen that the bilateral relations are very close, adding that the exchange of visits of Kaysone Phomvihane and Li Peng have led the bilateral relations into a new era.

He said that in the past few years, the bilateral economic and trade cooperation have made fruitful results.

He said that the economic development in Shenzhen is pleasing and convincingly proved that China's policy of reform and openness is correct.

The Lao president invited his Chinese counterpart to visit his country. Wan accepted the invitation with pleasure.

After the meeting, Wan held a banquet for the delegation.

The delegation arrived here from Kunming yesterday afternoon and will visit Guangdong for three days and then go to Beijing.

CPPCC Delegation Departs on Tour of Laos

*OW2301104191 Beijing XINHUA in English
1017 GMT 23 Jan 91*

[Text] Beijing, January 23 (XINHUA)—A delegation of the Chinese People's Political Consultative Conference (CPPCC) led by its national committee vice-chairman, Hong Xuezhi, left here today for a visit to the Laos and Thailand.

The delegation are invited by the Lao Front for National Construction and the National Assembly of Thailand.

State Councillor Meets Indonesian Delegation

*OW2101090991 Beijing XINHUA in English
0816 GMT 21 Jan 91*

[Text] Beijing, January 21 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met a delegation of the Indonesian Ministry of Mines and Energy here this afternoon.

Chinese Minister of Geology and Mineral Resources Zhu Xun was present at the meeting. The Indonesian delegation led by Kosim Gandataruna, director general of mines of the Indonesian Ministry of Mines and Energy, is here for a seven-day visit at the invitation of the Chinese Ministry of Geology and Mineral Resources.

Alatas on Efforts for Cambodian Solution

*OW2201085291 Beijing XINHUA in English
0657 GMT 22 Jan 91*

[Text] Beijing, January 22 (XINHUA)—The co-chairmen of the Paris International Conference on Cambodia, the foreign ministers of Indonesia and France, are continuing their efforts for a peaceful solution to the Cambodian issue, according to an AP report.

Alatas was quoted in Jakarta on Monday as saying that the process toward a comprehensive settlement of the Cambodian conflict will continue despite the current war in the Gulf.

At most, the Gulf War would change the timetable of the peace process, Alatas told reporters upon his arrival from New York. The Indonesian foreign minister had met with his French counterpart, when they were in New York, to arrange for a continuation of the efforts to bring peace to Cambodia.

Alatas disclosed that it had been agreed that after the completion of drafts for a settlement agreement, the two co-chairmen and a representative of the U.N. secretary

general would first talk to Thailand and Vietnam. "Vietnam and Thailand are two neighboring countries of Cambodia which will be much involved in the settlement (of the Cambodian conflict)", Alatas said.

Thai Foreign Minister Meets PRC, UK Envoys

OW2101182791 *Beijing XINHUA in English*
1504 GMT 21 Jan 91

[Text] Bangkok, January 21 (XINHUA)—Thai Foreign Minister Athit Urairat met Chinese ambassador to Thailand Li Shichun at the Foreign Ministry here this afternoon. They exchanged views on the situation in the Gulf.

During the meeting, Athit expressed the hope that the violent situation in the Gulf could be returned to normalcy at the earliest possible time. He also pointed out that a prolonged war would bring disasters and serious consequences to the Middle East countries.

The foreign minister called for the United Nations to exert positive influence to bring about an early end to the Middle East conflict.

The Chinese ambassador called on all parties concerned to keep restraint to create favorable conditions and opportunities for the international community to continue searching for the peaceful settlement of the Gulf conflict.

Li indicated that China would like to join hands with other countries in the world in making further and sustained efforts to solve the Middle East issue by peaceful means.

The Thai foreign minister also met British Ambassador to Thailand Michael Ramsay Melhuish this afternoon.

Last week, he met ambassadors of France, the United States and the Soviet Union in Bangkok. During the meetings he called on the five powers of the U.N. Security Council to continue their efforts for the peaceful settlement of the Gulf crisis.

Singapore's Prime Minister Receives Ambassador

OW1801210901 *Beijing XINHUA in English*
1736 GMT 18 Jan 91

[Text] Singapore, January 18 (XINHUA)—Chinese Ambassador Zhang Qing called on Singapore Prime Minister Goh Chok Tong here this afternoon and had a cordial talk with him.

Goh welcomed Zhang as the first Chinese ambassador to Singapore. He told Zhang that relations between Singapore and China have always been good. Their ties will be promoted widely and deeply after the establishment of diplomatic relations between them.

Zhang said Prime Minister Goh is an old friend of China and he has visited China many times and made great efforts to promote Sino-Singapore friendship.

He believed that as Singapore prime minister, Goh will continue his efforts to develop further the friendly ties between the two countries.

They also discussed, among other things, bilateral ties and cooperation between China and the region.

Senior Minister of the Prime Minister's Office Lee Kuan Yew met the Chinese ambassador on January 16.

Burma, China Cooperate in Antinarcotics Activities

OW2101144491 *Beijing XINHUA in English*
1411 GMT 21 Jan 91

[Text] Yangon, January 21 (XINHUA)—The Myanmar military government, the State Law and Order Restoration Council (SLORC), is strengthening cooperation with foreign countries in the fight against narcotics.

The SLORC sent a six-member delegation to Thailand and Singapore Sunday to study narcotic drugs abuse control work in the two countries.

The visit is aimed at studying advanced experiences in the fight against narcotics of the two countries and improving the work of anti-drugs in Myanmar.

Myanmar established close cooperative arrangements with Thailand and China last year, which include exchange of information on drug trafficking and related activities along the common borders, training of drug enforcement personnel and transfer of technology.

In addition, Myanmar and Laos signed an agreement last year to cooperate on suppressing drug production on their common border in the Golden Triangle which is a jungle-clad area with the world's largest heroin production.

Sub-Saharan Africa

Over 200 Chinese Return to Beijing From Somalia

OW2201123791 *Beijing XINHUA in English*
1221 GMT 22 Jan 91

[Text] Beijing, January 22 (XINHUA)—More than 200 Chinese experts and workers have returned to Beijing from Somalia recently, an official of the Chinese Ministry of Foreign Economic Relations and Trade said here today.

Due to the outbreak of civil war in Somalia, the Chinese Government decided to withdraw all Chinese experts and workers there early this month, the official said.

The 244 Chinese left Somalia for Kenya in two groups on January 7 and 11 and then they proceeded from there to Beijing by air on January 14 and 21 except 14 people who have still stayed in Kenya, he said.

According to the official, Vice Foreign Minister Yang Fuchang and Vice-Minister of Foreign Economic Relations and Trade Wang Wendong greeted the returnees at the airport upon their arrival in Beijing.

West Europe

Zou Jiahua Received by French Prime Minister

OW2001093491 Beijing XINHUA Domestic Service
in Chinese 1022 GMT 19 Jan 91

[Text] Paris, 18 Jan (XINHUA)—French Prime Minister Michel Rocard met visiting Chinese State Councillor Zou Jiahua, also the minister in charge of the State Planning Commission, in the prime minister's office on the afternoon of 18 January.

At the beginning of the meeting, State Councillor Zou Jiahua conveyed Premier Li Peng's friendly regards to Prime Minister Rocard. Prime Minister Rocard expressed thanks and asked Zou Jiahua also to convey his good wishes to Premier Li Peng.

In a friendly atmosphere, Prime Minister Rocard and State Councillor Zou Jiahua exchanged views on bilateral relations and international issues of common interest. Rocard said that French-Chinese relations have resumed, and France hopes that the cooperative relations will continue to develop. He added: Both France and China have a long history, and importance is placed on developing relations with China. The French Government will give all-out support to French enterprises in conducting cooperation with their Chinese counterparts in a wide range of fields.

Zou Jiahua said that a long, traditional friendship exists between the Chinese and French people, and China attaches importance to its cooperative relations with France. He pointed out: "We are glad to see Sino-French relations have been restored and improved through mutual efforts. The Chinese Government is willing to continue efforts to develop the cooperative relations."

Both Rocard and Zou Jiahua agreed that China and France share identical or similar views on major international issues, and that it is beneficial to strengthen cooperation and consultations under current international circumstances.

Zou Jiahua arrived in France on 14 January at the invitation of the French Government.

Departs France at End of Visit

OW2201121091 Beijing XINHUA in English
0901 GMT 22 Jan 91

[Text] Paris, January 22 (XINHUA)—Chinese Minister of State Planning Commission Zou Jiahua left for home today after ending an official visit here.

During his visit, Zou, also a state counselor, met French Prime Minister Michel Rocard, Minister of Economy, Finance and Budget Pierre Bérégovoy, Minister of Foreign Trade Jean-Marie Rausch and the Secretary of State to Prime Minister in Charge of Plan Lionel Stoleru.

They discussed bilateral cooperations in the fields of economy and technology, and agreed that the prospect of the cooperation is good.

Trade Delegation Plans European Trip

HK2101015291 Beijing CHINA DAILY in English
21 Jan 91 p 2

[By staff reporter Yuan Zhou]

[Text] Chinese officials and industrialists seeking European co-operation in the oil, steel, car-making and electronic industries are due to start a business visit to Italy, Germany and France tomorrow.

Joining the 15-member mission will be a vice-president of the China Petro-chemical Corporation, China's largest conglomerate, a vice-chairman of the Baoshan Steel Group Inc., the most advanced Chinese steel maker with a total investment of 30 billion yuan (\$5.8 billion), a vice-president of the Second Automobile Works of China (SAW) and the chief engineer of the Panda Electronic Group.

SAW, with an annual production capacity of 150,000 vehicles, and the French Peugeot SA company have just agreed to an \$800 million joint venture to produce sedans.

The economic and trade delegation, the largest to the European Community countries since June 1989, will also take a senior official from the State Planning Commission, a deputy director in the technology imports section of the Ministry of Foreign Economic Relations and Trade and the general manager of the international department with the Bank of China.

Zheng Hongye, chairman of the China Council for the Promotion of International Trade (CCPIT), will lead the two-week tour of Rome, Milan, Cologne, Bonn, Hamburg, Berlin, Nice, Marseille, Paris and Rouen.

"We are going to bring some concrete projects for co-operation when we meet local officials and business people," Zheng said.

The CCPIT chief said a number of meetings had been arranged with prominent European officials and leading lights in the local business community. But he declined to give their names.

"We'll propagate China's future development plan there and look for European co-operation in such important industries as oil, machine-building, car-making and electronics," he said.

In addition, he said, one member, Wu Bangguo, a special government representative of Shanghai, would do his best to attract the Europeans' attention to the Pudong New Area in Shanghai, a new special economic zone.

Leaves for Italy, Germany, France

*OW2201045891 Beijing XINHUA in English
0353 GMT 22 Jan 91*

[Text] Beijing, January 22 (XINHUA)—A Chinese non-governmental economic and trade delegation left here this morning for Italy, Germany and France.

It is one of the most important delegations of its kind to Western European nations since the European Community lifted its economic sanction against China last October.

The delegation, headed by president of the China Council for the Promotion of International Trade (CCPIT) Zheng Hongye, went to the three countries at the invitation of the Italy-China Chamber of Commerce, the Italian Institute for Foreign Trade, the German East-West Trade Committee, the National Council of Employers of France and the France-China Committee.

According to CCPIT, the delegation will meet senior government officials and leaders of the economic and trade circles of the three countries to exchange views on economic and trade cooperation. The delegation will also make presentations of China's economy and foreign trade, China's economic plan for the next decade and the development of China's special economic zones.

Sympathy Expressed on Norwegian King's Death

*OW2101100291 Beijing XINHUA in English
0943 GMT 21 Jan 91*

[Text] Beijing, January 21 (XINHUA)—Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress [NPC], expressed his condolences at the Norwegian Embassy here this afternoon on the death of Norwegian King Olav V.

Olav V passed away January 17. On January 18, Chinese President Yang Shangkun sent a message of condolence to Prince Regent Harald V.

Among the wreaths at the mourning service at the embassy were those from Chinese President Yang Shangkun, Chinese Foreign Ministry, Beijing Municipal Government and the Chinese People's Association for Friendship With Foreign Countries.

Analysis on Effects of War on Italian Economy

*OW2301053091 Beijing XINHUA in English
0517 GMT 23 Jan 91*

["News Analysis: Effects Gulf War on Italian Economy (by Huang Changrui)"]—XINHUA headline]

[Text] Rome, January 23 (XINHUA)—The Gulf war broke out without declaration, and its development seems not as optimistic as what some Westerners expected. The Italian Government, economists and newspapers become more and more concerned about what effects the war will have on Italian economy.

The dominant optimistic view is that the results of the war in the first few days show that it has not affected Italian economy as much as what was expected when Iraq invaded Kuwait. The oil price drop drive the ghost of an economic recession farther away from Italy.

However, some well-followed economists consider the war has brought Italy worrisome problems. For example, Italy depends on imported energies too heavily and the war would make things even more difficult for the country.

In 1979, of Italy's total amount of energy consumption, imported energy resources accounted for 84.4 percent, and crude import alone stood at 110 million tons. At present, Italy's home-produced oil only accounts for 3 percent of its total consumption. It is estimated that by 1995 Italy's imported energy resources will still amount to 79.3 percent of its consumption.

Since the first oil crisis in 1970's, Italy has taken various kinds of measures in order to reduce its dependency on oil and some oil-producing countries.

In 1990, Italy imported 35 percent of its oil imports of the year. After the Gulf war broke out, the international energy organization asked Italy to save 530,000 tons of oil per month. Marco Moratti, president of Italy's oil association, said that Italy now has stored 25 million tons of oil which could last at least 100 days.

To save 530,000 tons of oil per month, some measures have been taken by the Italian Government which include that 300,000 tons of crude oil will be replenished by the stock, 100,000 tons replaced by gas and the rest by conservation.

Since Italy also has various kinds of energies supplies—oil, gas, coal, electricity, geothermal energy and wind energy, Italy does not need to worry about its energy supply even if the war lasts several months and the oil system is destroyed, said Cagliari of the Eni Group, an oil and gas supplier.

National Enel Cooperation's president, Viezzoli, declared that Italy can survive a three-year-long war if it carries out the agreement reached between the Italian Government and the international oil organization.

However, energy expert Alberto Clo said that recent oil prices were controlled by "spiritual elements," which did not reflect the reality. Since Italy depends on imported oil too much, the situation would be more difficult even after the war ends, he added.

Nanchang Company Works With Italy on Plane

*OW1801195891 Beijing Central Television
Program One Network in Mandarin
1100 GMT 18 Jan 91*

[By reporters Li Suisheng (2621 4840 3932) and Meng Fanlu (1322 0416 7627); from the "National News Hookup" program]

[Text] The Qiang [attack] 5M Qiangjiji [attack plane], the largest cooperative aviation project between China and Italy, has been successfully developed in the Nanchang Aircraft Manufacturing Company. China and the Aeritalia-Societa Aerospaziale Italiana P.A. signed an agreement in July 1986 on cooperation in developing the Qiang 5M Qiangjiji based on the principle of making joint efforts to develop, committing joint investments, and sharing risks and profits. Both sides completed trial production, navigation, ground experiments of the system of firepower control and attack, and test flights of two prototypes of the aircraft successively after close coordination over the past four years. The newly developed Qiang 5M Qiangjiji has 17 avionics equipment features, including radar, inertial navigation, and [words indistinct]. It is highly maneuverable, has high precision navigation and firepower control, is equipped with a full array of firepower, and has a high attack capability.

[Video shows front part of the fighter aircraft with machine guns and missiles attached to each of its two wings and pans slowly over the fuselage with the character A5M painted just below the cockpit; cuts to show cockpit instrumentation; cuts to show fighter plane taking off]

East Europe

Albanian Foreign Minister Leaves for Beijing

OW2201014691 Beijing XINHUA in English
0127 GMT 22 Jan 91

[Text] Tirana, January 21 (XINHUA)—Albanian Foreign Minister Reiz Malile left here this afternoon for an official visit to China, the first China visit to be paid by a high-ranking Albanian official since the mid-1970s.

Malile said at the airport that he has not been to China since 1974 and that his coming visit will surely be a success.

At a meeting of the council of ministers on January 18, the foreign minister said that the relations between Albania and China are developing and that he will visit China for the purpose of promoting bilateral cooperation in various fields.

There is the possibility for the two countries to develop bilateral economic cooperation, Malile stressed.

Malile Arrives for Visit

OW2201115491 Beijing XINHUA in English
1138 GMT 22 Jan 91

[Text] Beijing, January 22 (XINHUA)—Albanian Foreign Minister Reis Malile arrived here today to start a five-day visit to China.

Malile, the most important Albanian official visiting China for the past decade and more, was met at the airport by his Chinese counterpart Qian Qichen.

Also on hand was Albanian Ambassador to China Justin Papajorgji.

It was learned that Malile is scheduled to meet Chinese Premier Li Peng and have talks with Qian tomorrow.

Malile worked in China as Albanian ambassador in the early 1960s.

Holds Talks With Qian Qichen

OW2301080191 Beijing XINHUA in English
0727 GMT 23 Jan 91

[Text] Beijing, January 23 (XINHUA)—Chinese Foreign Minister Qian Qichen and visiting Albanian Foreign Minister Reis Malile agreed here today that the two countries should continue to develop bilateral relations.

China and Albania have traditional ties of friendship and cooperation, although twists and turns cropped up in the 1970s.

According to a Chinese official, the two foreign ministers expressed satisfaction at the improvement and development of the relations in various fields over the past few years.

They believed that Malile's current visit will facilitate the further growth of Sino-Albanian ties.

In the two-and-half-hour talks, the two foreign ministers gave an account of the situation in China and Albania respectively.

They also exchanged views on some international issues of mutual concern.

After the talks, Qian hosted a luncheon in honor of Malile who arrived yesterday on a five-day visit.

Meets With Li Peng

OW2301103991 Beijing XINHUA in English
1028 GMT 23 Jan 91

[Text] Beijing, January 23 (XINHUA)—Chinese Premier Li Peng stated here today that Sino-Albanian relations of friendship and cooperation would continue to grow on the basis of the five principles for peaceful coexistence.

The Chinese premier made the statement in his 40-minute talks with visiting Albanian Foreign Minister Reis Malile here on the development of Sino-Albanian ties.

According to a Chinese official present at the meeting, Li noted at the meeting that Sino-Albanian relations had some "twists and turns" in the 1970s, but it is satisfying that there have been improvements in the bilateral relations in the last few years.

Li expressed the hope that both sides will have more exchanges to facilitate deeper mutual understanding.

He also hoped Malile's current visit will contribute to the further improvement and development of the relations.

Li gave an account of the situation in China and reiterated that China will not change the basic policy of taking economic construction as the central task, continuing to reform and open to the outside world and adhering to the four cardinal principles.

Malile, who worked in Beijing during the early 1960s as Albanian ambassador to China, told Li that he was pleased to be able to revisit Beijing which has taken on a new look.

He said that the Albanians admire the Chinese for their achievements in construction and reforms.

The Albanians cherish friendly sentiments for the Chinese and have the true desire for further development of Albania-China relations, he added.

Albanians Urged To Stop Strikes

*OW2201064491 Beijing XINHUA in English
0607 GMT 22 Jan 91*

[Text] Tirana, January 21 (XINHUA)—The Albanian Council of Ministers today held a special meeting to discuss the country's situation after transportation strikes began, and urged transport workers to stop their walkout which is adding problems to an already beleaguered national economy.

According to the Albanian news agency ATA, public transport workers in districts of Korca, Durrës and Tirana have recently held strikes for wage increases, the result of which has severely affected people's livelihood and the national economy.

The meeting called on all state departments and political parties to implement an agreement reached by all parties and political institutions on January 16, which appealed for no strikes and wage increases until May 1.

The Council of Ministers also asked the Presidium of the People's Assembly to approve a draft law on strikes as soon as possible to avoid acts which are irresponsible and against the people's interest.

Comparison of Li Peng, Iliescu Hold Talks

OW1501122391

Beijing XINHUA Domestic Service in Chinese at 0953 GMT on 15 January carries an 800-character report on talks between Premier Li Peng and Romanian President Iliescu in Beijing.

The XINHUA Chinese version has been compared to the referent English version published in the 15 January China DAILY REPORT, page 18, and found to be identical, except for the following variations:

Column one, last paragraph of article reads: Iliescu invited Li to visit Romania sometime this year, and Li expressed thanks for the invitation.

Representing the Romanian side to the talks were Victor Stanculescu, defense minister, and Vasile Vacaru, chairman of the Parliament Group of the National Salvation Front under the Senate.

Representing the Chinese side to the talks were Qin Jiwei, state councillor and defense minister, and Zeng Xianlin, head of the government reception group and minister of light industry.

After the talks, Li Peng hosted a luncheon in honor of the Romanian distinguished guests. (adding additional material)

Latin America & Caribbean

Radio Delegation Ends Argentina Visit

*OW1801210891 Beijing XINHUA in English
1715 GMT 18 Jan 91*

[Text] Buenos Aires, January 18 (XINHUA)—A delegation from Radio Beijing headed by radio director Cui Yuling ended today a visit to Argentina and proceeded to the Venezuelan capital of Caracas.

During its stay in Argentina, the Chinese representatives held meetings with their counterparts from the public and private sectors to discuss future cooperation between the two countries.

The delegation, the first of the kind to visit Argentina, arrived on January 14 following a trip to Brazil where it signed an agreement with the Brazilian Radio and Television Company to rent Brazilian broadcasting installations for the airing of Chinese programs in South America.

Political & Social

Trial Begins for Student Leader Wang Dan

HK2301021491 Hong Kong AFP in English 0204 GMT
23 Jan 91

[Text] Beijing, Jan 23 (AFP)—Chinese student leader Wang Dan went on trial here Wednesday on charges of counter-revolutionary propaganda and incitement, the Beijing Intermediate People's Court said.

Mr. Wang, 25, was a student at Beijing University and was number one on the government's list of 21 activists most-wanted for leading the pro-democracy demonstrations in early 1989.

Further on Trial

HK2301044891 Hong Kong AFP in English 0434 GMT
23 Jan 91

[Text] Beijing, Jan 23 (AFP)—Eighteen months after crushing a pro-democracy movement with tanks, Chinese authorities Wednesday put on trial Wang Dan, the student leader who has become a symbol of popular dissent here.

Mr. Wang, 25, was charged with counter-revolutionary propaganda and incitement, offenses punishable by death. He headed the list of 21 students most wanted for organizing the demonstrations of spring 1989.

Dozens of plainclothes and uniformed security officers patrolled the Beijing Intermediate People's Court as the proceedings began and twice asked reporters to move away from a board where the notice of Mr. Wang's trial was posted.

An official of the Beijing High People's Court, Chen Rui, declined to give details of the trial, saying "this case is not open to foreigners."

Mr. Chen had earlier denied a six-member delegation from the Hong Kong Federation of Students entry into the court to monitor the proceedings.

Although trials in China are officially open to the public, foreign observers and some relatives of dissidents have been barred from their trials.

Mr. Wang, a history student at the prestigious Beijing University, was arrested in the capital on July 2, 1989 after meeting a reporter from Taiwan.

He had been close to the dissident astrophysicist Fang Lizhi, who was allowed to leave for the United States after being harbored at the American Embassy here for a year after the June 4 crackdown on the democracy movement.

The trials of students and intellectuals behind the movement began late last year, and Mr. Wang is the 20th activist to be put on trial here.

Other activists now being tried include Liu Xiaobo, a 35-year-old literary critic and lecturer at Beijing Normal University, and Ren Wanding, 46, a veteran activist and electrician by trade.

Government spokesman Yuan Mu said Saturday that the trials of a "small number" of people would end soon.

On January 5, seven dissidents were sentenced to prison terms of two to four years, and another two found guilty but released.

The penalties were light by Chinese standards, but it was not known if leniency would be shown to Mr. Wang, who has emerged as a rallying point for the anti-government movement here and abroad.

"We just have to wait and see," said a Western diplomat monitoring the trials.

"The Gulf situation is a good opportunity for Chinese authorities to hold these trials," he added.

A spokesman for the Hong Kong student group said the delegation had come to China risking arrest to "put pressure on the Chinese."

"World attention is now on the Gulf. We want to attract Hong Kong and international attention to the trials," said Yau Chun-ming, president of the Hong Kong University Students Union.

Zhejiang Secretary Li Zemin on Chen Yun Talk

HK2301113591 Beijing RENMIN RIBAO in Chinese
18 Jan 91 p 5

[Article by Li Zemin, secretary of the Zhejiang Provincial CPC Committee: "Improve Work Methods, Raise Leadership Standards—Studying Comrade Chen Yun's Idea of 'Not Simply Following the Higher Authorities, Not Simply Following Documents, Being Practical, Exchanging, Comparing, and Repeating'"]

[Text] The study group of our provincial party committee worked out a plan on studying Marxist philosophy, with the focus on the study of original writings. In the course of studying Comrade Mao Zedong's philosophical works and Comrade Deng Xiaoping's relevant works, we also seriously studied Comrade Chen Yun's important explanations on "not simply following the higher authorities, not simply following documents, being practical, exchanging, comparing, and repeating," with the focus on questions like how to seek truth from facts, how to form unanimity between subjective thinking and objective reality, and how to use dialectical views and methods to observe matters, analyze the situation, sum up experience, guide our work, and combine theory with practice.

Comrade Chen Yun said that being practical means studying and handling problems in a practical way according to specific conditions. We believe this is the attitude every materialist should have. The basic view of

materialism is respecting objective facts, respecting the development law of matters, and understanding objective matters in their true features without adding any subjective elements. Only by genuinely reflecting objective matters can we form unanimity between subjective thinking and objective reality and correctly understand and transform the objective world. The basis for this reflection is social practice. The process of correctly reflecting objective reality to subjective thinking so that unanimity is formed between them is a process of discovering truth through practice and upholding it in practice. Practice is the origin and basis of understanding. It is also an impetus to understanding development and a criterion for judging the correctness of understanding. Comrade Mao Zedong said in "On Practice" that judgments on the correctness of understanding or theory are not determined by subjective feelings. The only criterion for judging truth is social practice. The concept of practice is the first and basic concept in the theory of knowledge contained in materialist dialectics. Subsequently, Comrade Mao Zedong summed up these basic principles of the Marxist theory of knowledge in the four words "seeking truth from facts." Initiated by Comrade Mao Zedong, seeking truth from facts gradually became our party's basic principle in handling problems, and its ideological line as well. Comrade Deng Xiaoping put it well: "Seeking truth from facts is the departure point of Mao Zedong Thought, and it is also its fundamental point. This is materialism." "The essence of Mao Zedong Thought finds expression in these four words." ("Selected Works of Deng Xiaoping," 1975-1982 edition, pp 109, 121) "Being practical," referred to by Comrade Chen Yun, completely corresponds with "seeking truth from facts" explained by Comrade Mao Zedong.

In line with the spirit of "being practical," we should gain knowledge and experience from practice. For now, we should devote ourselves to the great practice of construction and reform, study in practice, accumulate experience, and increase our talents to gain the initiative in construction and reform. In particular, leading cadres at all posts should engage in practical work more frequently. They should leave their departments and offices more frequently to stay in grass-roots units and all kinds of undertakings for investigation and study so that they can have a good idea of the situation there, resolve their problems, and provide guidance for their work. Comrades on the provincial party committee deeply felt: Genuine knowledge stems from practice, we are not wiser than the masses, and our brains are but a "processing factory" which obtains "raw materials" from the masses' practice. Every time we go to the grass-roots level, we can breathe in fresh air and learn more new things. Amid the masses and in the course of practice, we can see our own shortcomings. Therefore we must wholeheartedly and respectfully learn from the masses, be their pupils, and absorb new experience, wisdom, and nourishment from the grass-roots level. Unquestionably, our leadership should proceed under the guidance of the party committee. Fundamentally speaking, our work

cannot be separated from practice at the grass-roots level. In grass-roots units, we frequently feel that leading organs should help resolve problems. Practice in grass-roots units also frequently enlightens us on ideas to guide work and on methods to resolve problems in work. We may say that if leading cadres are separated from the masses and practice, they will find it difficult to move even a single step. There are all sorts of lessons in this respect. Take rural work as an example. For the last few years, the provincial party committee has consolidated the basic position of agriculture, deepened rural reform, carried out widespread education concerning the basic line, and conducted a series of grass-roots organizational constructions aimed at improving the role of party branches. We have achieved marked results in this respect because our work guidelines as well as detailed policies and measures were formulated in the course of practice, investigation, and study. These guidelines, policies, and measures stemmed from the masses' social practice. In our work we really feel the importance of "being practical." We will accomplish nothing if we separate ourselves from the masses' practice and the mass line.

In line with the spirit of "being practical," we should implement the central authorities' general policies in light of the specific conditions of our province. We should not mechanically copy or transplant these policies, nor should we try to apply a single solution to diverse problems. Copying or transplanting others' experience regardless of specific conditions or applying a single solution to diverse problems does not conform with and runs counter to objective reality. Viewed from the theory of knowledge, this is a subjective and idealist mistake. This mistake frequently appears in work, and there are profound lessons. In discussing the problem of widening the scope of opening up recently, we once again felt the importance of proceeding from our province's actual conditions. The provincial party committee is of this opinion: Widening the scope of opening up is a policy laid down by the CPC Central Committee and the State Council and must therefore be firmly put into effect. We should fully exploit Zhejiang's favorable conditions and opportunities, tap our potential, step up our efforts, and widen the scope of opening up. Opening up to the outside world requires a process and is not easy to accomplish. Zhejiang has its own specific conditions and all kinds of restrictive factors should be soberly estimated. In particular, it will take time and effort to build and improve Zhejiang's environment for opening up to the outside world. Therefore we should not rush headlong into mass action or be overanxious for quick results, nor should we stir up a wind. In other words, we should be aware of the gap between our province and other coastal fraternal provinces, foster the sense of urgency and responsibility for opening up to the outside world, and have a full understanding of the difficulties in our work. We should not mechanically copy or transplant other province's experiences. We should protect cadres' and the masses' initiative and guide them in doing practical work. We should be meticulous in this respect.

We should emancipate our minds and be cautious in work. In short, we should be both "hot" and "cool." The provincial party committee promptly reminded city (prefectural) and county party committees to straighten out their guidelines for opening up to the world, to prevent major one-sidedness in this work. One-sidedness in the way of thinking may cause serious harm and losses to our work. It is difficult to say whether or not this will occur again in the future. We should do our best to reduce its recurrence, and whenever a mistake occurs, it should be corrected immediately. The only preventive way is "being practical" and being familiar with local conditions. This is not easy because things keep developing and there is no end to understanding objective matters. Therefore unremitting efforts should be made.

In line with the spirit of "being practical," we should maintain specific, historical unanimity between subjective thinking and objective reality in the course of construction and reform, prevent one tendency from concealing another, and avoid going from one extreme to another. For example, we should adhere to the four cardinal principles in the political and ideological fields, resolutely oppose and repudiate bourgeois liberalization, persist in reform and opening up, continue to emancipate our minds, prevent ideological rigidity, and correctly carry out the party's basic line with "one central task, two basic points" as the main component. Similarly, we should avoid one-sidedness and absoluteness in economic work; we should prevent the two tendencies of becoming overanxious for quick results and falling into a state of inertia. Viewed from the historical lessons since the founding of New China, our province, like other provinces in the rest of the country, has committed the error of being overanxious for quick results in economic construction on several occasions, thus causing serious losses to socialist construction. In the past decade of reform and construction, mistakes have also occurred, such as doing our work regardless of the province's actual conditions or in excess of its resources, being overanxious for quick results, and large-scale fluctuations. True, these biases stemmed from complicated factors under the influence of the "macroclimate," but viewed from the root cause, they appeared because our subjective thinking outstripped objective reality and our ideas were divorced from reality. During their study, members of the provincial party committee's Standing Committee felt this way: The spirit of "being practical" expounded by Comrade Chen Yun manifests itself in his economic concept, which stressed the need to suit the scale of construction to national strength, to do our work according to our ability, and to maintain a comprehensive balance. This should be taken as an important guiding principle in construction and reform. In economic research work, the provincial party committee should implement this guiding principle, conscientiously sum up experiences and lessons, and make efforts to avoid previous mistakes. We have had bitter lessons in economic work as a result of becoming hotheaded and overanxious for quick results. This is the main trend we should overcome at present. In the meantime, under the

present circumstances, we should also prevent the emergence of another trend—the trend of being pessimistic and inert. Comrades on the provincial party committee had this to express: It is necessary to have a sober understanding of the difficulties in present economic life, particularly how to resolve some deeper contradictions. We should not remain unrealistically optimistic or take these difficulties lightly. We should also be fully aware of the favorable conditions for resolving these difficulties and should stress the importance of relying on the masses, boosting our morale, tackling difficulties head-on, and moving onward with an enterprising spirit. On construction rates, there is a need to overcome hotheadedness and the intention to go all out for quick results, to expand projects blindly, to carry out low-quality duplicate construction, and to seek high development rates regardless of economic results. In the meantime, while maintaining an unexaggerated economic growth rate in the course of carrying out a structural adjustment and improving economic results, we should also maintain the sustained, steady, and coordinated development of the economy. On reform policies, it is necessary to deepen reform, to gradually resolve some deep contradictions in economic life through reform, to remain careful about reform measures, steps, and methods, and to integrate the present reform with the efforts to rectify, improve, and develop the economy. In short, in economic work we should oppose the trend of being overanxious for quick results and the trend of pessimism and inertia. The root cause of the latter is subjective thinking lagging behind objective reality. This may lead to failure in seizing the right opportunity, dampen cadres' and the masses' initiative, and be unfavorable to construction and reform.

In short, we should not simply follow the higher authorities, should not simply follow documents, but should be practical. Of course, as Comrade Chen Yun said, by not simply following the higher authorities, we do not mean that the higher authorities' remarks should be ignored. By not simply following documents, we do not mean that we should not read documents or books. As we see it, the important point is not to mechanically interpret the word "simply." Here, what is important is the source of things. When instructions, documents, and books issued by the higher authorities are important or quite important, they must be read. These stem from practice and actual life and are subjected to the test of practice and actual life, whereas practice and actual life are the source of all knowledge and experience and constitute the only criterion for judging truth. They are primary and reliable. Therefore, from the philosophical angle, the habit of simply following the higher authorities and documents and the habit of being practical portray two different world outlooks. Only when we overcome the habit of simply following the higher authorities and documents and persist in the habit of being practical can we really avoid idealism and uphold materialism.

Why should we exchange, compare, and repeat in the course of understanding matters? In our opinion, this is determined by the dialectics inherent in the matters themselves.

Any matter is an entity of complex contradictions. It organically comprises different aspects, parts, links, and characteristics. If someone wants to use his subjective thinking to portray objective reality correctly with the aim of avoiding metaphysics, he should take serious account of the aspects, parts, links, and characteristics contained in the matter. This is generally referred to as taking an overall dialectical viewpoint. Paying attention to one aspect to the neglect of others will not help portray the overall features of things. Seeing the trees but not the forest is a major kind of one-sidedness. We speak of seeking truth from facts, but the crux of seeking truth from facts is taking an overall view of facts. The difficulty lies in having a clear idea of the situation and not in making a policy. A person's ability is restricted by all kinds of objective conditions, so it is difficult for him to take an overall view of the aspects, parts, links, and characteristics of a matter. Hence the contradiction between the wish to take an overall view and the restrictions on human ability to do so. "Exchange" is a good method to resolve this contradiction. People should exchange mutual understanding and make up each other's deficiencies. The purpose is to reduce one-sidedness and take an overall view of problems. It is all the more important for cadres assuming certain leadership responsibility to apply this method. Listen to both sides and you will be enlightened; heed only one side and you will be benighted. Because we hold leadership positions, we should, first, undertake the responsibility for policymaking and, second, seriously listen to opinions from various circles, particularly different opinions. Therefore, as Comrade Chen Yun said, a leading cadre should frequently exchange views with others; in particular he should frequently listen to opposite opinions. This is facilitative and not harmful. We have learned from our work practice that to allow all members to fully air and "exchange" their views when discussing matters concerning how to handle all kinds of complicated problems in the leading body of a party committee is the prerequisite and condition for acquiring a unified and comparatively correct understanding. Therefore, we must resolutely oppose the practice that only one or two persons have the final say on a matter, especially the practice that only the secretary has the final say. In philosophy, this is a demand of seeking a complete and overall understanding. In political affairs, this is a demand of adhering to the party's system of democratic centralism.

The "comparison" emphasized by Comrade Chen Yun entirely conforms to Comrade Mao Zedong's thinking on the particularity of contradictions. In his "On Contradictions," Comrade Mao Zedong pointed out: "The contradiction in each form of motion of matter has its particularity... In considering each form of motion of matter, we must observe the points which it has in

common with other forms of motion. What is especially important and necessary, constituting as it does the foundation of our knowledge of a thing, is to observe what is particular to this form of motion of matter, namely, to observe the qualitative difference between this form of motion and other forms. Only when we have done so can we distinguish between things." The different particularities of different things indicate their different qualities. From this we can draw the important conclusion that we must make concrete analysis of concrete situations and use different methods to solve different contradictions. So, how do we find out the particularities of different things? A fundamental method is to make comparisons. Only by making comparisons can we find differences and decide which to use. Comrade Chen Yun said: "All correct conclusions are drawn through comparison." This is absolutely true. In rural work, after making a comparison of the characteristics before and after the rural reform, the provincial party committee held that the question of how the townships exercise leadership over the villages, the question concerning the position of village party branches, and the question of how the village-level organizations will be built and play their roles had all become new subjects for study since rural reforms started and since the political structure was changed from one characterized by the integration of government administration with commune management and by the three-level ownership by the commune, the production brigade, and the production team, with the production team as the basic accounting unit, into one characterized by the separation of government administration and commune management, under which the township becomes a basic power organization and the village committee becomes a grassroots mass autonomous organization. In the forms of operation and economic management, since the system of contracted responsibilities on a household basis with payment linked to output was implemented in the villages, although the nature of the collective ownership has not changed, the form of the peasants' production and management has been changed from concentrative labor into separate operations by thousands upon thousands of households. Great changes have also taken place in the content and form of management. The peasants need to establish a new type of relationship between the leaders and the led. In the rural economic structure, the collective economy of the past, which was characterized by "doing things in a massive and unplanned way," and the unitary agricultural economy has been changed into the coexistence of diverse economic sectors with public ownership as the main body. With the comprehensive development of agriculture, industry, and commerce, greater differences have appeared among the peasants in respect of their economic income, interest relations, wealth, employment, and division of labor. This kind of objective social existence reflects the differences among the peasants in the ideological field and their concept of value. All the above-mentioned situations show that after the rural reforms, we must not restrict our work to within the range of the tasks set for the initial stage of reform and must not mechanically copy the old methods

we used in the past. Thus, new demands have been put forth on the rural leadership and management work and ideological and political work. After conscientiously summing up the experiences of the past few years, the provincial party committee and the party committees at various levels also feel that rural work must have a clear destination and must be carried out in a coordinative way. It is necessary to solve problems both temporarily and permanently, with stress on the latter. We must not adopt an attitude of treating the head when the head aches and treating the foot when the foot hurts, but must grasp simultaneously economic construction, organizational construction, and ideological construction. It is necessary not only to strengthen the building of the grass-roots organizations with the rural party branches as the nucleus, but also to attach importance to the development and expansion of the collective economy at the village level, to perfect the double-layered operation structure, and to effectively do a good job in providing socialized services. We must attach importance to both economic construction and ideological construction. A comparatively successful experience of the past few years is to select and send to the rural areas tens of thousands of office cadres to carry out education in the basic line under leaders and to imbue the peasants with socialist ideas to push forward various work in rural areas. In practical work, apart from paying attention to using the method of comparison to analyze the particularity of things, we can also make an optimum-seeking analysis when working out concrete methods and measures. This is another method of comparison that we must try our best to learn. A usual practice is that before making an important policy decision, we must prepare several draft plans and discuss them in a conscientious manner and must solicit opinions from both inside and outside the party so that we can analyze their feasibility, advantages, and disadvantages through comparison and so that we can choose the best plan on this basis. Facts prove that the decisions made and the plans put forth after this comparison can better conform to the objective reality and reflect the demands of the masses and can be implemented more smoothly.

Why should we "not be overhasty in making decisions and have time for repeated consideration?" Comrade Chen Yun said: This is because "the process of man's cognition cannot be completed at one time." This is also full of dialectical ideas. Judged from a dialectical viewpoint, it is not easy to acquire a correct understanding of things, or to seek the truth. Just as Comrade Mao Zedong said, people who are engaged in the reality of transformation are often restricted by many things. They are not only often restricted by the scientific and technological conditions but also restricted by the development and degree of development of the objective process (the objective process and its nature are still not yet fully exposed). For this reason, man's cognition usually has to go through a process of developing from phenomenon to essence, from one-sidedness to multi-aspects, and from incorrectness to correctness. This is what the "process of truth" means. It is also why, on the question concerning

the theory of knowledge, we must uphold the viewpoint of development. Since man's cognition cannot be completed at one time, we must observe the dialectical law governing the motion of cognition. We should not be overhasty in making decisions and doing things, nor should we act on impulse or personal feelings. Instead, we must consider matters repeatedly and "think thrice before we act." This is a scientific attitude of seeking truth from facts, which is entirely different from doing things hesitantly and indecisively. As far as we understand, whether the leading cadres, who are entrusted with heavy tasks by the party and the people, are able to make proper decisions has a direct bearing on the work of a locality or a department. That is why it is specially harmful to draw hasty conclusions and make hasty decisions. Out of this sense of responsibility, we often remind ourselves that in order to work out an important policy decision or important measure or to appoint important cadres, there must be a process of preparation and repeated deliberations and a process of constantly perfecting.

From this we can see that the six characters meaning "exchanging, comparing, and repeating" profoundly reflect the viewpoint of looking at things all-sidedly, the viewpoint of development, and the method of analyzing contradictions. This dialectical method stated by Comrade Chen Yun is entirely correct. To sum up, we must try to acquire an all-sided cognition by means of exchanging, comparing, and repeating and stress dialectics on more occasions in our work so that we can make fewer metaphysical mistakes.

The "decision" adopted by the Sixth Plenary Session of the 13th CPC Central Committee clearly pointed out: "In order to maintain close ties with the masses of people and lead them to advance victoriously, the most important thing for our party to do is to ensure that its policy decisions and the implementation of these policy decisions are in keeping with the people's interests." We have learned through our personal experiences that in order to do so, we must have our policy decisions worked out on the basis of a scientific world outlook and methodology. Whether the way of thinking of the leading cadres and their work method and leadership method are correct has an important bearing on whether they can ensure the scientific nature of the policy decisions and avoid defects and mistakes. Therefore, it is very correct and necessary for the central authorities to call on the leading cadres to study philosophy. Comrade Chen Yun said: In order to successfully lead our party and state, the most important thing to do is to correct the way of thinking of the leading cadres, in other words, to study Marxist philosophy. We have already drawn benefit from the study of Comrade Mao Zedong's philosophical works, the relevant works of Comrade Deng Xiaoping, and the expositions made by Comrade Chen Yun on "not simply following the higher authorities, not simply following documents, being practical, exchanging, comparing, and repeating" and have thus improved our way of thinking and work method, raised our leadership

level, and improved our leadership art. However, we have only scored some initial achievements. It is a long-term task for us to apply all those expositions in practice and use the Marxist philosophical viewpoint to guide our work. Comrade Chen Yun said: By studying philosophy, we can straighten out our ideas; and a good mastery of philosophy can be used throughout our lives. This is a golden saying. The transformation of man's world outlook and the improvement of man's ability of cognition cannot be completed overnight or in three or four years. The study of philosophy must be continued for a long time. Under the new situation, the whole party is still faced with the pressing task of using the stand, viewpoint, and method of Marxism-Leninism-Mao Zedong Thought to analyze and solve problems. We must enhance our sense of responsibility and sense of mission in the study of philosophy, continuously arm ourselves with a scientific world outlook and methodology, and use them to guide our practice, improve our work method, and raise our leadership level, so that we can successfully fulfill our tasks which are becoming heavier and heavier with each passing day.

Qiao Shi at Social Stability Discussion

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[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Yantai, 21 Jan (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Political and Law Committee, attended a discussion in Yantai this morning with some comrades participating in a national conference on improving social order through coordinated efforts. He said: Comrades of the whole party should thoroughly recognize that all of our achievements since the founding of the country have been achieved on the basis of social stability. The safeguarding of social stability has a vital bearing on the success of China's socialist modernization drive and is especially important under the present international and domestic situation.

The discussion was held at the Zhifu Guesthouse. Li Qiyuan, deputy secretary of the Beijing municipal party committee; Lu Chuanzan, deputy secretary of the Hebei provincial party committee; Ni Hongfu, deputy secretary of the Shanghai municipal party committee; Lu Xuezheng, member of the Standing Committee of the Tianjin municipal party committee; and Yuan Qitong, deputy secretary of the Fujian provincial party committee, respectively, spoke on the issues of strengthening public security, judicial, and procuratorial work; safeguarding social stability; comprehensively implementing the principle of improving social order through coordinated efforts; cracking down on serious criminal offenses and economic crimes, and improving the contingent of public security, judicial, and procuratorial personnel.

In his speech, Qiao Shi said: The Eighth Five-Year Plan and the basic tasks and guiding principles for national economic and social development in the next decade, which have been drawn up by the Seventh Plenary Session of the 13th CPC Central Committee, are a symbol of China's socialist modernization entering a new stage of development. The 1990's will be a crucial decade. A primary requirement to ensure success of the decade's work and realize the second-stage strategic goal of socialist modernization is to continue to maintain political order, unity, and social stability. Without stability, nothing can be accomplished. This is an extremely important basic principle of China's socialist modernization construction.

Qiao Shi stressed: Public security, judicial, and procuratorial departments play an especially important role and shoulder a very arduous task in safeguarding stability. Party committees and governments at all levels should thoroughly recognize the great importance of public security, judicial, and procuratorial work and strengthen their leadership over and support for it. All sectors of the public security, judicial, and procuratorial front should strive to cope with the demand of the new situation by giving full play to their role as the organ of the people's democratic dictatorship and by strictly differentiating and correctly handling two different types of contradictions to better strengthen socialist democracy and the legal system and build socialism with Chinese characteristics.

Discussing the comprehensive measures for improving social order through coordinated efforts, Qiao Shi called for energetic efforts to improve the contingent of public security, judicial, and procuratorial personnel. He said: Overall, the rank and file of public security, judicial, and procuratorial personnel are good, trustworthy, and capable of withstanding tests. The overwhelming majority of comrades are performing their duties honestly, working hard and selflessly, and doing their best to serve the people and the cause of socialism. They have made positive contributions to maintaining public order and social stability. While fully affirming the performance of the mainstream of public security, judicial, and procuratorial personnel, we also should soberly recognize and sufficiently assess existing problems. Qiao Shi pointed out that the existence of serious violations of laws and discipline and unhealthy practices in some units by a handful of cadres and policemen have stirred up the resentment of the masses.

Qiao Shi emphasized: To investigate and punish law-breakers and correct unhealthy practices in various trades and professions is a pressing task in the construction of the contingent of public security, judicial, and procuratorial personnel. Public security, judicial, and procuratorial departments at various levels should earnestly expose and take the initiative in resolving problems. It is necessary to investigate and punish law-breakers and rectify unhealthy practices in various trades and professions in conjunction with the implementation of the decision adopted by the Sixth Plenary

Session of the 13th CPC Central Committee on promoting clean government. In departments and units where serious problems exist, it is necessary to carry out rectification during a given period of time. Efforts should be made to improve the leading bodies of public security, judicial, and procuratorial departments at various levels. Leading cadres at all levels should set examples by strictly enforcing laws and discipline. Leading cadres who connive with or shield criminals should also be punished by the law. Through the work in various fields, we should further improve the political and professional quality of public security, judicial, and procuratorial personnel and build closer relations between the police and people so that public security, judicial, and procuratorial personnel can become a contingent feared by the enemy, but loved by the people, and can become an effective apparatus for strengthening the people's democratic dictatorship.

Qiao Shi urged party committees and governments at all levels to attach great importance to exercising greater leadership over the public security, judicial, and procuratorial work by strengthening leadership over the political ideology, principles, policies, and organizational construction, and by more effectively supervising and supporting the public security, judicial, and procuratorial departments in strictly enforcing the Constitution, laws, and rules and regulations. Party committees and governments at all levels should show profound concern for the contingent of public security, judicial, and procuratorial personnel politically and in their work and everyday life by helping them solve practical problems in order to enhance their fighting capacity so that they may better apply the legal means in the economic construction, reform, and opening up.

The discussion was attended by some 60 comrades from all provincial, autonomous regional, and municipal party committees, who are in charge of public security, judicial, and procuratorial work, and officials of the relevant central departments.

Li Ruihuan Attends Meeting on Propaganda Work

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[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 19 Jan (XINHUA)—A four-day national conference of heads of propaganda departments ended in Beijing today. At a discussion meeting with conference participants today, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, pointed out that the Seventh Plenary Session of the 13th CPC Central Committee was a very important meeting held by the party at a critical moment of history and a meeting for summing up the past and ushering in the future. Implementing the guidelines of the plenary session is the central task of the

whole party and is also the priority and principal task of the party's propaganda departments. Our job, through various forms of lively and effective propaganda, is to make the whole party understand the guidelines and to pool the strength of cadres and the masses to realize the second-step strategic goal.

Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee and member of the Secretariat of the CPC Central Committee, attended the discussion meeting.

Li Ruihuan pointed out: Since the Fourth Plenary Session of the 13th CPC Central Committee, under the correct leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus and due to the efforts and unity of comrades on the propaganda and ideological front, we have scored marked achievements in disseminating the party's line, principles, and policies; in publicizing the situation and our achievements in construction, reform, and opening to the outside world; in publicizing the struggle to uphold the four cardinal principles and to oppose bourgeois liberalization, as well as education in this regard; in publicizing advanced personnel and experiences; and in accomplishing the major propaganda campaigns, thus contributing to social, political, and economic stability in the country. Practice in the past year and longer shows that the series of propaganda principles, policies, and tactics of the party Central Committee are correct. For example, keeping to the orientation of "serving the people and socialism" in carrying out propaganda work; upholding the principles of "there must be both stability and hard work" and "relying mainly on propaganda by positive examples" in news reporting at home; and adhering to the principles of "cracking down on pornography while promoting prosperity," "carrying out rectification while promoting prosperity," and "carrying forward the fine culture of the nation" in doing cultural work are all correct. Very good results have been made in these respects. In publicizing the guidelines of the plenary session and in our future propaganda work, we should adhere to these principles and policies in a better way. We should continue to create new experiences in the course of practice.

Touching on the subject of improving work style and working in a down-to-earth manner, Li Ruihuan said: The guidelines of the Central Committee should be integrated with specific conditions in a locality. This should be turned into a work plan to guide the practices of millions of people. To do this, a great deal of down-to-earth work is required. This means we must thoroughly understand the central guidelines and also study characteristics of a locality; we should make good plans and carry them out carefully. While cadres should take the lead, it is also necessary to organize the masses to take part in work. This process requires a great deal of arduous and meticulous work. There should no pretense and perfunctoriness. The often talked about high or low standard of leadership, the good or bad work style, and the little or big work achievements will be demonstrated

to a large extent in this process. Therefore, to emphasize working in a down-to-earth way is to guarantee implementation of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. This is also needed to improve work style and raise leadership levels. In publicizing and implementing the guidelines of the plenary session, we should publicize those typical models which have conscientiously studied the guidelines, worked in a down-to-earth way, scored good results, and brought about a new situation; vigorously promote the principles of understanding reality, forging ties with the masses, refraining from empty talk, and doing more useful work; repeatedly explain the truth that idle talk will harm the nation, industrious work will invigorate the nation, empty talk is a shame, and dealing with concrete matters related to work is glory; and strive to make the understanding of reality, thinking of good ideas, speaking of truth, and seeking of efficiency a common practice. Compared with economic construction, the propaganda front is quite empty [xu 5711], but for propaganda departments themselves the work is real, and the problem of working in a down-to-earth manner does exist. When we write an article, we have to study reality, theory, and people's thinking well. "Articles are the reflection of objective things, and things are complicated." If we make no effort to reach a profound understanding of objective things, we cannot write good articles. The propaganda front is now faced with many problems. These problems can only be solved by working in a down-to-earth way. Take theoretical work as an example. It is necessary to conduct thorough investigations to acquire detailed data; it is necessary to conscientiously study and master the tenets of Marxism; it is necessary to have enthusiasm, devotion, and a calm objective attitude; it is necessary to work arduously, in a down-to-earth manner, and over the long term in order to transform creative methods. Take also ideological and political work as an example. Comrades doing ideological and political work should take reality into account, study the characteristics of their targets, conscientiously analyze the psychology of their targets, and adopt effective methods to deal with different persons under different situations. In other words, it is necessary to follow the saying, "a key for a lock." Here, any simplified work method will achieve no results. Again, take cultural and publishing work as an example. All cultural and publishing departments and cultural and publishing workers with the objective of serving the people and socialism should strive very hard to make the stage and the screen beautiful and colorful and to turn out good quality books and publications.

Li Ruihuan said: To work in a down-to-earth way, we must increase our understanding. In addition, we must adopt effective measures. First, we must have an overall plan. In Sha City I have said that we need an overall plan for the building of spiritual civilization. As propaganda work has an abundance of content and involves various sectors, we also need to have all-around consideration, a long-term plan as well as an immediate arrangement, measures for accomplishing the principal tasks as well as

methods of attending to other fields of work. Second, we should fix the target. In building spiritual civilization and propaganda work, some targets cannot be fixed, but a lot of targets can and should be fixed. In accordance with the requirements of an overall plan and the characteristics of the production of cultural materials, like carrying out the "vegetable project," we should fix the target for publishing houses, newspapers, radio stations, television stations, film studios, theaters, and theatrical troupes to produce good books, dramas, reports, articles, and programs. In this way we can do this "empty work" in a down-to-earth way. Third, it is necessary to have a division of labor. Work should be divided properly; specialized work should be attended by specialized personnel. In this way, every propaganda unit and every propaganda worker will have a clear responsibility to perform. Fourth, it is necessary to commend, promote, put in important positions, and award people who have achieved results in doing practical work; to criticize people who like to talk big but do not do their work seriously; and to punish those who resort to reception and cause delay in work. Fifth, leaders should take the lead. Leaders should not only issue calls and set requirements, but should go among the masses in grass-roots units to help them solve problems. Leaders should personally take part in work to solve problems. Only thus can they cultivate the habit of doing work in a down-to-earth way.

Touching on the question of working hard in unity, Li Ruihuan said: Realizing the Eighth Five-Year Plan and the 10-year program is not only an important economic question but also an important political question. Because this work concerns the future and destiny of the party and the state, it must be done well and successfully, and no failure is permitted. We will meet with many difficulties in this process. Without unity within the party, unity among the people, unity between leaders and the masses, and particularly unity within the core of leadership, our strength will weaken; the people will become lax; it will not be possible to overcome many difficulties, solve many problems, and fulfill many tasks; and our second-step strategic goal will not be fulfilled. Unity is the means for working in a down-to-earth way. Strengthening unity and working in a down-to-earth way exist in tandem. People can work in a down-to-earth way only when there is unity, mutual understanding, and support; we can have real unity only by working in a down-to-earth way and working hard to fulfill the common goal. We must promote unity, pay attention to meeting the people's cultural and spiritual needs, strengthen ideological and moral building and educational and cultural building, and, in the final analysis, promote the development of productive forces.

Li Ruihuan said: Upholding the principles and uniting the majority are consistent with each other. Of course, putting stress on unity does not mean that we do not need the principles, for unity without the principles is not genuine unity. Here the principles mean major

questions, cardinal issues of right and wrong, and important principles. Uniting the majority is one of the important guidelines. Wholeheartedly serving the people is the fundamental objective of our party. The party works solely for the people's interests; it has no selfish interests whatsoever. For this reason, we always consider the state of the vast majority, including their wishes, demands, sentiments, and consciousness, as the basis for setting up on our tasks and formulating our policies. It is also because of this that we always take the unity of and reliance on the vast majority as our goal and guarantee for fulfilling our tasks and carrying out our policies.

In addition, Li Ruihuan pointed out: The "double-hundred" principle [the principle of letting a hundred flowers blossom and a hundred schools of thought contend] is our party's long-term and basic principle for developing science and art. It is also a correct principle proved by actual practice. The "double-hundred" principle is consistent with the unification of understanding. We must stress unification of understanding regarding issues concerning the political principle and in dealing with the line, principles, and policies. As to right and wrong in the academic field, and the good or bad of art works, we should allow the existence of different views and let the questions be discussed, without haste, rather than drawing a quick conclusion and imposing uniformity on all. Except for those in violation of the Constitution and other laws, all academic issues should be resolved step by step in a democratic and equal way, by sufficient reasoning, and through long-term practice. Using oversimplified methods to solve academic issues will not only adversely affect the development of science and art, but will also have a negative effect on unity. While upholding the four cardinal principles, we must encourage everyone to speak out and express their opinions freely. We must advocate and encourage the free development and competition of different academic and artistic opinions, viewpoints, styles, and schools, as well as criticism and counter-criticism. This is the only way to bring about a vigorous and lively state on the ideological and cultural fronts and achieve genuine unity.

Li Ruihuan pointed out: The last decade of this century is the most pivotal period, whether viewed from the international situation or from the situation within our country. Seizing this historical opportunity to do our job well will be of decisive importance to the prosperity of the Chinese nation and to the fate of socialism in our country. It is, therefore, imperative for us to carry forward the spirit of the foolish man who removed the mountains and see to it that all tasks set forth at the Seventh Plenary Session of the 13th CPC Central Committee are fulfilled.

The national conference of heads of propaganda departments opened on 16 January. The conference heard a work report by Wang Renzhi, head of the Propaganda Department of the CPC Central Committee and discussed the main points of propaganda work for 1991.

Today's discussion meeting was chaired by Wang Renzhi. At the beginning of the meeting, Xu Weicheng, executive deputy head of the Propaganda Department of the CPC Central Committee, gave a briefing on matters related to the above-mentioned conference. Heads of propaganda departments of party committees from Shandong, Guangdong, and Liaoning provinces and Xinjiang Uygur Autonomous Region, namely, Miao Fenglin, Huang Hao, Wang Chonglu, and Feng Dazhen, all made speeches on further strengthening the work of propaganda and ideology.

Also present at the discussion meeting were responsible persons from the departments concerned, including Gao Di, Zhu Muzhi, Ai Zhisheng, Mu Qing, and He Jingzhi.

Wang Fang Attends Zhejiang Meeting

OW2201040191 Hangzhou ZHEJIANG RIBAO
in Chinese 14 Jan 91 p 1

[Text] A provincial conference of public security department and bureau directors, which ended yesterday, pointed out: The guiding principles for public security work in the province this year are to study and implement the guidelines laid down at the Seventh Plenary Session of the 13th CPC Central Committee and to make every possible effort to maintain social stability and serve economic construction.

State Councillor Wang Fang called on the comrades attending the conference and addressed them. In accordance with the guiding principles for the province's public security work and its situation in this regard, Xia Zhonglie, member of the Standing Committee of the provincial party committee and director of the provincial public security department, pointed out at the conference: We should keep a clear head, we should not lower our guard and slacken our efforts, and we should strengthen our spirit and use various favorable conditions to step up our public security work and maintain people's confidence in the stability of the overall situation. The province should stress the following in public security work this year: 1) It is necessary to guard against and crack down on the infiltrating, subversive, divisive, or sabotage activities by hostile forces or elements at home and abroad, as well as inside and outside the province; 2) It is necessary to step up the investigation and solution of cases and crack down on criminal and economic criminal activities; particular efforts should be made to investigate and solve as soon as possible major cases that cause a lot of damage and produce a considerable influence, and those involved should be promptly punished according to law; 3) it is necessary to strengthen basic public security work, preventive security work, public security control at the basic level, and to change as quickly as possible the situation in which preventive security work and basic public security work are in a weak and passive position; 4) we should persist in effectively performing public security work, earnestly strengthening the building of the contingent of public security personnel, and improving their fighting capabilities.

The conference maintained: Public security in the urban and rural areas of the province is basically stable. Through a "cracking-down" struggle, criminals' arrogance is punctured to some extent. However, the tasks of public security remain arduous. Hostile forces or elements at home and abroad, as well as inside and outside the province, echoed one another and continuously carried out infiltrating, subversive, and sabotage activities; criminal cases occurred rather often, some of which are serious in nature; and public security problems are outstanding in some localities. Thus, the conference called on public security cadres and police, as well as officers and men of the armed police, to conscientiously study, profoundly comprehend, and resolutely implement the guidelines laid down at the Seventh Plenary Session of the 13th CPC Central Committee; to uphold the four cardinal principles; to firmly establish the concept of taking economic construction as the central task; and to subordinate all public security work to this central task and make the former serve the latter. It is necessary to resolutely crack down on illegal and criminal activities undermining social stability and damaging economic construction, to strengthen the people's democratic dictatorship, and to provide an environment of good public order for the people across the country to concentrate on economic construction and for ensuring the smooth fulfillment of the targets for the first year of the 10-year program and the Eighth Five-Year Plan.

Xu Xingguan, member of the Standing Committee of the provincial party committee and vice governor of the province, attended and addressed the conference.

7th Five-Year Plan Legislative Work Noted

OW2001121191 Beijing XINHUA Domestic Service
in Chinese 2154 GMT 19 Jan 91

[By reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 20 Jan (XINHUA)—China made significant progress in legislative work during the "Seventh Five-Year Plan" period. During this period, the National People's Congress [NPC] and its Standing Committee promulgated 45 laws, and adopted 33 decisions to amend and supplement laws and to address relevant legal issues. The State Council drew up or approved, and subsequently issued, 258 sets of administrative laws and regulations. The formulation and implementation of the laws and regulations provided effective legal means to ensure the implementation of the party's line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee. It also provided effective legal guarantees of unimpeded progress in reform, opening, economic improvement and rectification, and building of honest government, as well as of social security and stability.

According to the State Council's Bureau of Legislative Affairs, the purpose of China's legislative work during the "Seventh Five-Year Plan" period was to institute a fairly complete system of economic and legislative laws and regulations for reform and opening. To this end, the

country's legislative work during the "Seventh Five-Year Plan" period was conducted in the following distinctive ways:

- Efforts were made to supplement and amend the Constitution as well as improve China's basic legislative system. During the "Seventh Five-Year Plan" period, the NPC and its Standing Committee adopted the "Amendments to the Constitution," the "General Rules of the Civil Law," the "Administrative Procedural Law," the "Basic Law of the Hong Kong Special Administrative Region," the "Organic Law on Urban Neighborhood Committees," and the "Organic Law on Villagers' Committees." Amendments to the Constitution not only define the status and role of privately run enterprises in China's national economy, but also relax state restrictions on land-use rights and further improve the Constitution. The formulation and implementation of such important laws as the "General Rules of the Civil Law" further refined the basic Constitution-oriented legal system and played an important role in safeguarding the dignity of the Constitution and the unity of the socialist legal system.
- Efforts were made to strengthen enterprise management and to deepen enterprise reform. Strengthening enterprise management, enhancing vitality, and deepening reform were the focal points of the plans for national economic development and legislative work of the entire "Seventh Five-Year Plan." During the five-year period, China enacted and promulgated many laws and regulations in this regard. Foremost among them were the "Law on State-Owned Industrial Enterprises," the "Regulations Governing the Equipment of State-Owned Industrial and Communications Enterprises," the "Regulations on the Work of Directors of State-Owned Industrial Enterprises," and the "Law Governing the Bankruptcy of Enterprises (for Trial Implementation)."
- Efforts were made to build and improve the socialist market regulatory system and to promote and strengthen the state's macroeconomic management. During the five-year period, China formulated more than 20 sets of administrative laws and regulations to build and improve the socialist market regulatory system. They mainly included the "Provisional Measures Governing National Unified Ceilings on Planned Means of Production," the "Regulations Governing the Collection of Taxes," and the "Provisional Regulations on Disciplinary Sanctions for Profiteering." In addition, China also enacted some laws and regulations governing agriculture, forestry, communications, and transportation.
- Efforts were made to strengthen and improve the enactment of laws involving foreigners and to promote and advance opening to the outside world. During the five-year period, China strengthened the enactment of laws involving foreigners to satisfy the needs of opening to the outside world. The principal laws that were formulated and amended included the

"Law on Foreign-Funded Enterprises," the "Law on Sino-Foreign Joint Ventures (Amended)," and the "Law on the Inspection of Export and Import Goods." The administrative laws and regulations formulated included the "Regulations of the State Council on the Encouragement of Foreign Investment," the "Measures on Bank of China Loans to Foreign-Funded Enterprises," the "Regulations on Export and Import Tariffs," and the "Provisional Measures on the Encouragement of Technological Exports."

—Efforts were made to actively promote and strengthen the enactment of laws on education, science and technology, culture, medical care, and public health. The principal laws and regulations enacted in China during the "Seventh Five-Year Plan" period included the "Law on Compulsory Education," the "Law on Copyrights," the "Law on Technical Contracts," the "Regulations on Eliminating Illiteracy," and "Several Provisions of the State Council on Further Promoting Structural Reforms of Science and Technology." Moreover, some laws and regulations on labor, foreign, military, and government affairs were also formulated.

—The enactment of laws on energy, natural resources, urban and rural construction, and environmental protection was stressed and strengthened. The principal laws and regulations enacted in China during the "Seventh Five-Year Plan" period included the "Law on Mining Resources," the "Law on Water Resources," the "Fishery Law," the "Land Management Law," and the "Environmental Protection Law."

—Efforts were made to safeguard social security and stability and to propel and strengthen the nation's building of clean government. During the "Seventh Five-Year Plan" period, especially in 1989, the party and state enacted and promulgated about a dozen sets of laws and regulations on ensuring national stability and unity and on strengthening the building of clean government. Chief among them were the "Law on Assemblies, Processions, and Demonstrations," the "Law on Protecting State Secrets," the "Regulations on Administrative Reviews," and the "Provisions of the General Offices of the CPC Central Committee and the State Council on Strictly Controlling Overseas Visits by Leading Cadres."

Moreover, the State Council formulated a series of administrative laws and regulations to complement those in force during the "Seventh Five-Year Plan" period. It also drew up some procedural laws and regulations to further improve existing laws and regulations.

Tian Jiyun Addresses Customs Conference

OW210112539i Beijing XINHUA in English
1103 GMT 21 Jan 91

[Text] Beijing, January 21 (XINHUA)—Chinese Vice-Premier Tian Jiyun today called for the Customs administrations throughout the country to make every effort to promote the open policy.

Tian was addressing a work conference of China's General Administration of Customs, which ended here today.

Since the implementation of the open policy a dozen years ago, Tian said, the customs have made remarkable contributions to the development of foreign trade, cultural and personnel exchanges, and social and economic stability.

He also stressed that the reform of the customs should be linked with the reform of the foreign trade system.

Dai Jie, director of the General Administration of Customs, said that the customs administration will strengthen its supervision and management over non-commercial goods, highway trading ports and tax levies during the Eighth Five-Year Plan period (1991-1995).

Minister Chen Minzhang on Rural Health Work

OW2201070591 Beijing XINHUA Domestic Service
in Chinese 1025 GMT 21 Jan 91

[Text] Beijing, 21 Jan (XINHUA)—Minister Chen Minzhang spoke at the national conference of directors of public health departments and bureaus, which opened today. He emphatically pointed out: The strengthening of preventive medical work, the improvement of rural public health work, and the revitalization of Chinese traditional medicinal science will be the three strategic targets for China's public health work during the "Eighth Five-Year Plan" period and the next decade.

Chen Minzhang made a report at the meeting, entitled: "Effectively Strengthen the Building of Rural Public Health Work." In the report, he said: Our country has 900 million people living in the rural areas and rural public health work is at present a weak link in our country's public health work. Therefore, we must fully understand the strategic significance of strengthening public health work in rural areas. We should adopt effective measures and policies to improve various organizations, train public health workers, and support public health work in the rural areas. We must earnestly stress public health work in the rural areas.

Chen Minzhang asked governments at various levels to clearly understand the policy of stabilizing professional medical personnel in the rural areas, to create favorable conditions for promoting various kinds of health insurance systems in rural areas, and to restore and develop the system of providing medical care through collective efforts. It is necessary to understand that gathering funds for medical care is not to collect money from peasants by means of wanton apportionment. It is also necessary to make appropriate adjustment of standards in charging medical service fees. He said: These policies are important contents in deepening the reform of rural public health work and improving our country's system of rural public health work.

In conclusion, Chen Minzhang pointed out: During the "Eighth Five-Year Plan" period, various localities should strengthen preventive medical care network at county, township, and village levels and gradually improve and perfect the public health service system in the rural areas. Various localities should actively promote various types of rural medical care insurance systems, including cooperative medical care and gathering funds for medical care. This is a relatively proper and feasible way to solve the problem of funds for rural medical care at the present stage and is also an important component part in implementing the decision of the Seventh Plenary Session of 13th CPC Central Committee on establishing the social security system.

Touching on the necessity of laying stress on prevention in public health work, Chen Minzhang said: The policy of putting prevention first in medical work is an important policy to promote the vigorous development of public health work in our country and is also a basic experience of our country in achieving significant results in public health work. To strengthen preventive work is a strategic task set by the party and government and is also a demand in modernizing medical work. He pointed out: Providing primary medical care is an important way to implement the two strategic tasks of strengthening preventive medical work and strengthening rural public health work.

The central topic of discussion at the six-day national conference of directors of public health departments and bureaus is to implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee; review the course of development of our country's public health work during the "Seventh Five-Year Plan" period; study and discuss how to strengthen rural public health work during the "Eighth Five-Year Plan" period on the basis of past achievements, experience, and problems; and discuss the revision of the "(Draft) Program for Developing and Reforming China's Public Health Work."

Article on Distribution According to Work

HK2101152191 Beijing RENMIN RIBAO in Chinese
14 Jan 91 p 5

[Article by Kang Zonghe (1660 3057 0735): "Give Full Play to the Superiority of the Principle of Distribution According to Work"]

[Text] The principle of distribution according to work is an important component of Marxist economic doctrine. Lenin pointed out: "Mankind can only directly transit from capitalism to socialism, that is to the public ownership of production means and distribution according to work." ("Selected Works of Lenin," Vol 3 p 62) He placed distribution according to work and public ownership on an equal footing as two major manifestations of socialism which complement each other. Adhering to the

socialist road requires adhering to the principle of distribution according to work. Whenever the role of distribution according to work is given greater play, progress of the socialist cause will enjoy a strong impetus. In the 41 years since the founding of the PRC, the socialist principle of distribution according to work was correctly implemented in some periods, while in others this principle was distorted, jeopardized, and even negated. Because of varying attitudes, there is a world of difference in the effects. It is imperative for us to earnestly summarize historical experiences and lessons to give full play to its role of pushing forward all undertakings.

With the progress of economic restructuring in the 10-year reform, new progress has also been made in implementing the principle of distribution according to work. Based on the reality of China being in the primary phase of socialism, diversified distributive forms, with distribution according to work as the main body, have been implemented. Thus, the practice is more truth-seeking, compatible with national conditions, and more favorable to developing social productive forces.

At present, over half the workers and staff members of industrial enterprises nationwide have implemented linking wages to economic results, shortened as economic results wages [xiao yi gong zi 2400 4135 1562 6327]. That has been a successful experience in work wages created by the masses of workers and staff members and summarized and elevated by relevant departments since reform, especially since the implementation of the system of contracted enterprise responsibility. Surveys in some localities showed that every yuan in economic results wages expenditure was capable of creating taxes and profits of three to eight yuan; we may say that this has been the best wage distribution form, capable of giving greater play to the superiority of distribution according to work. Implementation of economic results wages is favorable to overcoming egalitarianism. It guarantees the wage increase range being lower than that of labor, effectively lowering the wage content per unit product, cutting back product cost, improving economic results, and developing social productive forces. Of course, economic results wages need be completed, perfected, and developed, but I believe that this newborn thing must be given support; at the same time, I hope that all trades and professions will study and summarize the forms of economic results wages suiting the development of their own trades and professions, and promptly overcome malpractices in such forms, should there be any.

China has scored pleasing achievements in economic restructuring. There are different views regarding wage distribution restructuring. To my mind, the idea of a structure characterized by state macroscopic regulation, tiered and categorized administration, and the enterprise's distribution on its own, as put forth by labor departments based on their initial summarization, is desirable, while we should not copy intact the capitalist wage system characterized by wage levels determined by

market changes alone. Past wage-distribution power was excessively concentrated at the central level; it was a structure characterized by "being irrational rather than decentralized," which bound the productive forces' progress, and must be reformed, allowing no repetition. The problem now is a rising new egalitarianism, although the old egalitarianism has been overcome somewhat. One of its important marks is the arbitrary distribution of goods in kind on a per capita basis. There are different views regarding the new egalitarianism in distribution. In my opinion, new egalitarianism is characterized by only having eyes for immediate interests without giving any thought to long-term interests, paying attention to partially easing contradictions only, regardless of losses resulting in the whole situation. Should such tendencies continue, the consequences will be sad. Statistics show that the proportion constituted by average standard wages in units under ownership by the whole people dropped to 54.2 percent of the total wage volume in 1989, with that in many enterprises being lower than 50 percent. In other words, the proportion of genuine distribution according to work was falling, while that of egalitarianism was on the rise. Such a condition has been unfavorable to giving play to the superiority of distribution according to work in promoting production. Now reform is imperative.

At present, in some enterprises the system of contracted responsibility for individuals and a minority of people is implemented, with excessive rewards for those contracted and a wide gap between them and other workers and staff members; consequently, some workers and staff members have complaints against it. In addition, there are unreasonable differences in wages between trades. Regarding the wage differences between leadership and workers and staff members inside the enterprise, relevant state departments have explicitly stipulated that the highest wage for leading members should not exceed three times the average wage of workers and staff members. The issue is settled in policy; the problem is that some localities and enterprises have executed the policy, but others have not. Wages among different industries cannot and should not be the same, and it is right to allow some differences. The question is whether or not such differences are reasonable and how to determine rational standards and conditions; we do not have ample experience in this area. Some cities are conducting surveys and research in every trade, to seek comparatively rational wages in the same trade first. Then they will study the relationship between different trades. Standards thus formulated will be favorable to giving play to the enthusiasm for production of workers and staff members of all trades. We must resolutely implement the policy of some people becoming well-off first on the basis of honest labor. Needless to say, it is necessary to conduct education in more work, more pay, and achieving common prosperity step by step through some people becoming well-off first, to start an upsurge of aiming high and catching up with the advanced among the masses of workers and staff members, who should be made to see the need to compete with each other in

contributions to work first before they compare each other's wages. More work more pay, less work less pay, and no work no pay is the essential of the principle of distribution according to work, as well as a strong impetus for the progress of the socialist undertaking. The pursuit of egalitarianism, characterized by each being given a share regardless of work quantity and quality, and even more pay for less work and no work at all with pay all the same, is irrational and unacceptable to socialism.

The Sixth Plenary Session of the 13th CPC Central Committee made a decision on augmenting the party's ties with the masses. I believe a very important point is to augment the party's ties with the masses of workers and staff members. Concerning the wages of workers and staff members, I recall that the Central Committee gave an important instruction in 1951, which read: "Regarding the working class, the wage issue is a very important one, like land to the peasants. Should all our party organizations fail to earnestly study this issue, the correct handling of this issue will be out of the question, nor can the party establish a close relationship with the working class and win the latter's whole-hearted support. Consequently, we shall fail to do a good job of production as well as all work by relying on the working class. That being the case, it is imperative to arouse attention to the wage issue inside the party, to urge all party organizations to earnestly study the issue and summarize local experiences in wage readjustment." We achieved that in the 1950's, and the principle of distribution according to work played a tremendous role in national economic construction with satisfactory economic results and social effects. In the years of the "Great Leap Forward" and the "Cultural Revolution," this spirit was violated and resulted in undue losses. In the 10-year reform, this spirit was well implemented in the first five years, but some problems surfaced in the latter five. Reviewing the past, studying reality, and viewing the prospects for the future, I believe that we should treat wage distribution as an important strategic issue. To grasp the issue of wage distribution does not mean asking the state to pay more for wages, but chiefly to correctly, rationally, and fairly deal with the relationships between production and distribution and in wage distribution, with money spent properly in a justified way where it is needed most so that the superiority of the socialist principle of distribution according to work may be given full play to guarantee and promote the continuous, steady, and harmonious progress of the national economy.

Article Views Various Systems in History

HK2101104091 Hong Kong CHING CHI TAO PAO
in Chinese Nos 1-2, 1 Jan 91 p 86

[Article by Yu Guangyuan (0060 0342 6678): "From 'One Country, Multiple Systems' to 'One Country, Multiple Patterns' and 'One Country, Two Systems'"]

[Text] Before the birth of the PRC in 1949, China practiced "one country, multiple systems," that is, one country with numerous basic social systems.

At that time, there were liberated areas in China covering quite a large territory and containing a large population. In the liberated areas, there was a public economic sector with socialist characteristics. Although it did not occupy a dominant position, it did exist and was developing. In liberated areas, the cooperative economy also began to be set up. Mutual help and cooperation in labor, which carried certain socialist factors, was also developing in the rural areas. It was the small-peasant individual economy, characterized by land to the tiller, that held a dominant position in the liberated areas. The private capitalist economy was also allowed to exist and appropriately develop in liberated areas. The economy in liberated areas possessed new democratic characteristics. Moreover, the political system in liberated areas was joint dictatorship by various democratic classes under the leadership of the CPC; it also had new democratic characteristics. In short, there was then a new-democratic basic social system in China.

At that time, the basic social system in the Kuomintang-ruled area of China was a semicolonial and semifeudal social system. Before the victory of the war of resistance against Japan, the Japanese imperialists occupied large tracts of China's territories, some of which were openly and directly ruled by the Japanese imperialists. In northeastern China, the Japanese imperialists also created a "Manchukuo," which was in fact placed under the direct rule of the Japanese imperialists. The basic social system in this vast tract of land should be called a colonial and semifeudal society.

Before the founding of the PRC, a feudal serf system was practiced in Tibet; a serf system was practiced in Daliang and Xiaoliang Shan; and, in southwestern China there were still many ethnic minority areas at the primitive communist societal stage.

Moreover, it can be said that, before the victory of the anti-Japanese war, a colonial capitalist system was practiced in Hong Kong, Macao, and Taiwan. Following its recovery at the end of the war, Taiwan was no longer a colony but a Kuomintang-ruled area. As for Hong Kong and Macao, their characteristics were still the same.

In short, before the founding of the republic, China obviously practiced "one country, multiple systems."

After its birth, through a transitional period, the democratic reform, and the socialist transformation, a fundamental change took place in the aforesaid "one country, multiple systems" on the Chinese mainland. On the mainland as a whole, the basic social system was turned into a socialist one. Regarding social systems, I differentiate between the basic ones and the specific ones. A basic socialist system refers to one that does not change at any time in any socialist states or regions, as well as in a socialist state or region. A specific socialist system refers to one that may vary in different socialist states or

regions or in the different historical periods of a socialist state or region. Another name for the "specific socialist system" is "socialist structure" or "socialist pattern." In line with what I term the concepts of the basic socialist system and specific socialist system (i.e., socialist structure or pattern), we can say that, after a period of time following the birth of the PRC, a democratic reform and a socialist transformation, which were not altogether the same, were conducted in various localities, thus turning the basic socialist system from "multiple ones" to a "single one." That is to say, there was only one basic system, namely, socialism. As for specific systems, at that time there was a guiding idea of practicing the same systems in all localities. Moreover, having failed to make a distinction between basic and specific systems, the theoretical circles often regarded something which should have come under the category of specific systems as the basic systems, with the result that, for a fairly long time after the shift from "multiple systems" to "one system" on the Chinese mainland, there was also a shift toward unitary direction in terms of structure and pattern. In fact, of course, there were still some differences among specific socialist systems in various localities.

The results of practice showed that the guiding idea of unifying structures and patterns is unfavorable to the development of socialist undertakings on the Chinese mainland.

Reform and opening up have been conducted since the Third Plenary Session of the 11th CPC Central Committee in 1978. In the course of the past 10 years and more, major changes have taken place on the Chinese mainland. There is the following phenomenon: Although the basic socialist system is the same in different parts of country, there are differences in varying degrees in terms of specific systems. Some of the differences are so small that they are indiscernible but others are quite obvious. As a result, there is a phenomenon of "one system, multiple patterns." "One system" refers to an identical basic socialist system. "Multiple patterns" refer to diversified rather than unitary socialist patterns. Not only are Shenzhen, Shantou, Xiamen, and the Hainan Special Economic Region different from other nonspecial economic zones in terms of their pattern, but the latter also have "patterns" which are not altogether the same. For example, southern Jiangsu, Wenzhou Prefecture, Zhujiang Delta, Shanghai, Guangdong, and Shandong have distinctly different features in terms of socialist pattern. This is an objective reality on the Chinese mainland. Moreover, I think "one system, multiple patterns" will make the relations of social production better suit the conditions in the locality at that time. Therefore, "one system, multiple patterns" is not only an objective reality today but should be given a positive assessment.

On the other hand, following the founding of the PRC, although "one country, multiple systems" which was practiced on the Chinese mainland for many years no longer exists, the difference in basic social systems between the mainland on the one hand and Hong Kong, Macao, and Taiwan on the other still exists. In dealing with the return

of Hong Kong and Macao and the reunification of Taiwan, the Chinese mainland favors adopting the principle of "one country, two systems." Hong Kong and Macao have already done so. The principle of "one country, two systems," which has been defined in the Sino-British and Sino-Portuguese joint declarations, can be regarded as a recognition of the reality. It is affirmed and implemented as a principle which will remain unchanged for a very long time to come.

What I said above can be summed up as follows: 1) The situation in China before the founding of the PRC was "one country, multiple systems"; 2) "one system, multiple patterns" is being implemented on the Chinese mainland today; and 3) if the status of Hong Kong, Macao, and Taiwan is taken into account, the future PRC will be a society of "one system, multiple patterns" as well as "one country, two systems."

Publication of New Journal on Copyrights

OW2201045591 Beijing Central Television Program
One Network in Mandarin 1400 GMT 21 Jan 91

[From the "Night News" program]

[Text] ZHISHI CHANQUAN [PROPERTY RIGHT OF KNOWLEDGE] magazine published jointly by the China Research Society for the Property Right of Knowledge and two other units is put on sale in Beijing today. The property rights of knowledge include property rights of specialized publications, trade marks, copyrights and names of plants and enterprises. Since the beginning of reform and opening to the outside world, the property right of knowledge attracted increasing attention in the economic and cultural life. As of the end of 1990, the departments concerned of the state handled more than 1,300 cases of disputes in regard to patent rights, of which 30 percent still have not been wound up.

The inauguration of ZHISHI CHANQUAN will promote the academic exchange of opinions on the property right of knowledge and popularize information on the property right of knowledge. It can also provide consultative opinions on improving laws and regulations concerning the property right of knowledge.

[Video shows the cover of a magazine which has four Chinese characters "ZHI SHI CHAN QUAN" (4249 6221 3934 2938)]

Science & Technology

Sounding Rocket Launched From Haikou

OW2201161491 Beijing XINHUA in English
1548 GMT 22 Jan 91

[Text] Haikou, January 22 (XINHUA)—China successfully launched its first 120-kilometer high, low latitude sounding rocket today at a launching pad in Haikou, the capital of China's southernmost island province of Hainan.

The rocket, named "Weaver Girl 3", was launched at 18:23 (Beijing time) today. Three minutes and 24 seconds later, the rocket reached its designated altitude and began to transmit data to ground stations.

The rocket was fired from a launch pad located at 19:31 degrees north latitude and 109:8 degrees east longitude. The pad is one of the few low latitude launching pads in the world.

The 4.87 meter rocket, which weighs 285 kilograms (kg) and has a pay load of 45 kilograms, became operational as a result of two and one-half years of joint effort by the the Chinese Academy of Sciences space center and three related units.

The "Weaver Girl 3" is designed to conduct scientific probes below an altitude of 120 kilometers. Data obtained from the probes can be used as altitude environmental parameters for the development of carrier rockets, ballistic missiles, man-made satellites and manned spacecraft.

Prior to the launch of the "Weaver Girl 3" the highest altitude at which China conducted space exploration experiments was 60 kilometers.

Song Jian at Science Newspaper Meeting

OW2201040291 Beijing Central Television Program
One Network in Mandarin 1400 GMT 21 Jan 91

[From the "Night News" program]

[Text] State Councillor Song Jian today spoke at the office of KEJI RIBAO [SCIENCE AND TECHNOLOGY DAILY]. He said that a great deal of work has been done by KEJI RIBAO in publicizing and reporting on the major principles and policies of the party and the state on science and technology and in promoting the development of economic and other work. He pointed out that the degree of success in revitalizing the economy and promoting social progress by relying on science and technology has a direct bearing on whether we can fulfill our strategic goals in the second stage or not. He asked KEJI RIBAO to make efforts in this respect. [Video shows closeup shots of Song Jian who speaks at a meeting]

Scientific Results of 1990 Reviewed

HK2301050191 Beijing LIAOWANG in Chinese
No 53, 31 Dec 90 pp 6-8

[Article by Gu Mainan (7357 6701 0589) and Sun Yinglan (1327 5391 5695): "Review of China's Achievements in Science and Technology in the 1990's"]

[Text] As the first year of the 1990's is about to come to an end, the reporters visited scientific and technological results management departments under the State Science and Technology Commission [SSTC] and obtained a large numbers of facts. They show that over the past

year our country's vast number of scientists, and scientific and technical personnel have made some world-renowned achievements in many areas, including the basic sciences, high-technology, and applied technology.

Over the past year, 788 outstanding scientific results from all scientific research departments throughout the country have won the state natural science awards, state invention awards, and state scientific progress awards. Of the 3,500-odd award winners, the proportion of middle-aged and young people has increased over the previous year's. This year's award-winning items are marked by the increase of high technology, high difficulty, and advanced results over the previous year's. Of them, many are the result of the cooperation of various departments and scientific branches.

Beijing's electron positron collider and spectrometer won special awards. Their major technical targets were reached and their design requirements were exceeded. Their functions have reached the world advanced levels of the 1980's.

Research fellows of the Shanghai Institute of Metallurgy of the Chinese Academy of Sciences [CAS] succeeded in manufacturing [yi bei tong yang 7918 9468 6894 8638] massive superconductive material by structuring through a melting process. When the critical temperature reaches 90 Kelvin and when the temperature of fluid nitrogen is at 77 kelvin, the critical current exceeds 40,000 amperes per square centimeter in the 95,000-gauss magnetic field, and it reaches 27,000 amperes in the 50,000-gauss magnetic field. These achievements, new world breakthroughs, have been tested and confirmed by Shanghai's Fudan University, and retested and reconfirmed by the CAS Institute of Physics. The discovery of the oxide superconductive in the fluid nitrogen temperature zone has enabled our country to remain as one of the leading countries in the research of high-temperature superconductors.

At the end of the 1950's, our country's solar physics research personnel began research on forecasting methods for solar activities, and at the end of 1960's they began to make forecasts. In the research on solar flare prediction and short-term predictors, scientific research personnel studied the magnetic characteristics of sun-spot groups and the longitude of their activities; the forms of the detailed structure of photospheric spots and the characteristics of their evolution and of their radio radiation; and the relations between the characteristics of solar flares and those of chromospheres. In this way, they established an independent work system for the prediction of solar activities, laid the foundation for solar optics and radio observation, formed a quick-exchange network for predicted results and data, developed the technical methods of medium- and short-term prediction and alarming, accumulated numerous valuable observed data, discovered some new phenomena, and succeeded in manufacturing a number of optical and radio telescopes. It is said that the CAS's observatories in

Beijing, Yunnan, and Zijin Mountain can make world-advanced forecasts of solar activities. They have supplied accurate data for the launching of our country's satellites, missiles, and rockets on 22 occasions, and for major scientific experiments.

The scanning tunnel microscope manufactured by the scientific research personnel of the CAS Institute of Chemistry on their own enables us to observe clearly, for the first time, a new structure of the DNA of meta-bacteriophages, namely the three-chain braided twinning [san lian bian zhuang chan rao 0005 6969 4947 3692 4961 4935] structure. Experts believe that this is a new breakthrough in the human understanding of DNA, an important genetic matter of the activities of living beings. The discovery was made by the laboratory headed by research fellow Bai Chunli, who is 37 years old. Before the discovery was made, foreign scientists only guessed that a structure similar to it might exist. DNA is the material basis of living things' storage, duplication, and transmission of genetic information, and therefore, when scientists explore the mysteries of life, they make it a major research target. Bai Chunli and others saw directly the DNA's new structure, thus opening up a new way for finding the answers to the information of life and the origins of life.

The research on remote sensing technology has enabled various economic departments to apply it extensively. For three consecutive years, the SSTC worked with relevant units, including the Ministry of Water Resources, CAS, State Bureau of Surveying and Cartography, State Meteorological Administration, and China Broadcasting and Satellites Company, in experiments in flood-prevention remote-sensing technology application in the Yongdinghe, Huanghe, Changjiang's Jinghe section, Dongtinghu area, and Huaihe. They have made important breakthroughs each year. These experiments can quickly send pictures of floods and data about water levels to flood-prevention commanding units hundreds or thousands of li away to enable leaders to make decisions. They have also built flood-prevention data banks at the lower reaches of the Yongding river and of the Huanghe, Changjiang's Jingjing section, and Dongtinghu area. By using the pictures and data about the water levels, they can quickly detect the conditions of disasters and draw large amounts of practical, highly precise, visual charts for flood-prevention commands and plans. Therefore, they are highly appraised by relevant experts. With keen competition, our country's remote sensing high technology was put, for the first time, on the international market not long ago. Entrusted by the China Aerial Surveying and Remote Sensing United Company, the SSTC Remote Sensing Center and the Dongfang Scientific Instrument Import and Export Company participated in the tender for "aerial photographic survey for land planning and exploitation of resources in northeast Brazil," a world bank loan item hosted by Brazil's Land Reform and Agricultural Development Department. China officially obtained the tender. For the tender, our country's first

aerial surveying and remote sensing high technology was exported for the first time. At present, preparatory work for the initial phase of the project has begun. Several companies competed for the tender, including two from China, eight from Brazil, two from the United States; and only three companies won the tender. Scientific and technical personnel are confident that they will be able to successfully complete the project, thus making a contribution to the export of the remote sensing high technology.

The year 1990 is also an unusual year for our country's space flight industry. During this year, we have launched more satellites than before. The successful launching of satellites has further improved our country space flight technology. The successful development and manufacture of the Changzheng-2 rocket has raised the low-orbit carrying capacity of our country's rockets to the world's advanced levels. The successful launching of the AsiaSat-1 Satellite has marked the entry of our carrier rockets into the international market; and by successfully launching the Changzheng-3, China has ensured the orbit-entry precision level of the AsiaSat-1 at the world's advanced levels. Experts of the U.S. Hughes Aircraft Company said: "The precision in the satellite's entry into the orbit is the highest since our company's similar satellites were launched." The meteorological satellite Fengyun-1, which has been operating normally for over three months, and the instruments carried in it are functioning well. The legibility of the visible light and the infrared passage nephograms and nephosystems received on the ground are similar to those received by the U.S. third-generation NOAA meteorological satellites, which are currently functioning. The retrievable scientific experimental satellite launched on 5 October has been retrieved as scheduled. It is said that since 1975 our country has succeeded in consecutively retrieving satellites 12 times, thus succeeding in maintaining a 100-percent rate of retrievability. This shows that China possesses the skilled and dependable satellite-retrieving technology. The satellite carried 67 research items used for the space life science and space material science, and the higher-mammal-carrying experiment was conducted for the first time.

As for aviation, over the past one year, many new-type aircraft have been used for the first time, of which some are totally newly developed; some have been improved; and others have been equipped with new aviation equipment. The advanced Jianjiao-7 supersonic fighter and trainer plane manufactured by the headquarters of the Guizhou Aeronautic Industry Company has added a new type of military aircraft for export. The Yun 7-200B passenger plane manufactured by the Xian Aircraft Industry Company is the latest improved model of the Yun 7-100 passenger plane. Another 93 technical improvements, incorporated with foreign advanced technology, have been made in the plane's wings, fuselage, projectors, engines, propellers, undercarriage, and airplane electronic equipment. The advent of the plane will promote the wide use of home-made branch aircraft.

At present, the home-made Yun-12 multi-purpose aircraft has obtained a certificate of navigability from Britain's Civil Aviation Association (CAA). Eight such aircraft have been exported, and contracts for the export of 14 others have been signed. Aeronautical industrial departments satisfactorily finished the task of manufacturing the aeronautical spare parts that have been entrusted to them by renowned overseas aircraft companies and engine companies, and they earned several dozen million U.S. dollars. They have also supplied spare parts and components to airlines of various countries including Britain, France, Germany, and Sweden. In the meantime, the Huahang Airship Development Group succeeded in manufacturing China's first-generation helium-filled manned practical airships.

Since reform and opening up to the outside world, in order to expedite economic development, China has imported many technical equipment from overseas. Many of these items have, through transformation and improvement, exceeded their original design capabilities and have reached the technical level of the 1980's. The development and improvement of The Wuhan Iron and Steel Works [yi mi qi ya ji 0001 4717 0003 6509 2623] system, and the successful manufacturing of the Dongfeng-9 diesel locomotive and SS5, SS6 electric locomotives are the good examples.

The Wuhan Iron and Steel Works [yi mi qi ya ji] system is a whole set of equipment, which is at the world's advanced level of the 1970's, imported from Japan and the Federal Republic of Germany. It was officially experimentally produced in 1978 and officially obtained the state's approval in 1981. By 1985, the Wuhan Iron and Steel Works had grasped the imported technology of the [yi mi qi ya ji], and on this basis, scientific and technical personnel of the Wuhan Iron and Steel Works aimed at the world's advanced levels, made continued improvements, and vigorously employed new technology and craft. Over the past 10 years, 227 new technologies and skills have been developed, of which 47 have reached world-advanced levels.

For the manufacture of the Dongfeng-9 diesel locomotive, large numbers of advanced technology at home and from abroad have been employed, many new components and parts have been manufactured, and advanced technologies on locomotives imported from abroad in recent years have been fully absorbed. Moreover, these technologies have been applied in home-made diesel locomotives. The advent of this new type of locomotive symbolizes that our country has made new progress in the research, design, and manufacture of diesel locomotives. In the meantime, SS5 and SS6 electric locomotives have also been put to use, and there are new breakthroughs in their design and manufacture.

Over the past 10 years, computers have been developing very quickly and in an all-around way in all parts of the world, and there have been numerous changes in micro-computers. At the beginning of the 1980's, workstations, new types of computers, became into being. The advent

of supermicro-computerized workstations, which are based on the RISC/UNIX technology, has added a strong vitality to workstations. All large computer companies in the world focus on the development of workstations, which have become a strategic area of extremely keen competition.

In order to catch up with and surpass the world's scientific and technological levels, promote the quick development of our country's computer industry, and strengthen the scientific and technological equipment badly needed for our country's hi-tech industries, and in order to make preparations for developing China's intelligence computer systems, the expert team of the State High Technology Intelligence Computer System has assigned the task of developing compatible intelligence workstations and included this task in the "863 Plan" so that it can receive major support. It demanded that on the basis of the compatible supermicro-computerized workstations, an intelligence workstation system with a high degree of intelligence be developed and manufactured. The system was named Dongfang Intelligence Workstation (EST/IS4260). The CAS Institute of Computer Technology Research undertook the design and development of this project and relevant research and integrating work. The advent of China's first intelligence workstation symbolizes the highest technical levels in the research of hi-tech intelligence machine systems. The scientific result is very significant to our country's development of high technology computers, and to the further implementation of the 863 Intelligence Machine Plan.

As for computer application, the "collective management system for passenger depot computerized ticketing," a major state project during the "Seventh Five-Year Plan" assigned to the Shanghai Railway Bureau in 1988 by the SSTC, is a complex network system. It not only involves a variety of technology in computer software, hardware, and network communications, but also involves various business technology related to the passenger depot. Established for the first time in the country, it is a class-three ticketing management network that sells all sorts of tickets for all stations across the country. After two years' hard work, the project was successfully developed and was put to use at Shanghai's new passenger depot.

Over the past one year, China has obtained bumper harvest in agriculture throughout the country. This shows that how hard agricultural scientific and technical personnel have worked.

"Fanliu," a fine variety resource of highly-productive and resistant wheat, and its sister families are the results achieved by the scientific and technical personnel of the Wheat Research Institute of the Sichuan University of Agriculture after several decades of devoted research and breeding. It was successfully selected in 1969 by cross-breeding eight times seven parental species that have different fine genetic characteristics. Since the beginning of the 1970's, it was widely promoted and cultivated in large areas in Shaanxi, Gansu, Yunnan,

Guizhou, etc, with the result that Sichuan's average per-mu output of wheat increased from 100 kg to 150 kg. Since it is highly productive, anti-disease, early-maturing, and short-stalked, and since it has a long-lasting rust-resistance and can keep for 20 years without decaying, it has become an important fine idioplastic wheat resource and important antigen [kang yuan 2123 3293] variety.

Zhongmian 12, a new disease-resistant, highly-productive fine cotton variety, also won the state first-class award. This variety is anti-blight, highly-productive, and fine in quality, and in 1989, its area of cultivation reached 12.57 million mu. Now, it is a variety that covers the largest area of cultivation and that has the widest suitability. In 1990, an area of cultivation of 19.17 million mu was added, making the total cultivation area 96.68 million mu with an additional output of 194,000 tons of ginned cotton; and the net profit was 1.04 billion yuan. In the blight-afflicted areas along the Huanghe and Changjiang, satisfactory results have been obtained in spring sowing and plastic sheeting cultivation or in cotton and wheat interplanting.

Great achievements have also been made in medical and health machinery. For example, the color Doppler blood-flow image-information system manufactured by the Anke Company, a subsidiary of the CAS Science and Health Company Limited, is one that only a few countries can produce. The company is the first in our country to produce the product, which has been examined and proved to possess world-advanced levels in quality and functions compared with similar products.

The attenuated live vaccine for epidemic encephalitis B, which won the scientific progress first-class award at the state level, is a new development in the world and has been recognized by the world. At present, no other countries have similar products. This vaccine is the first live vaccine, which can be widely used, against neurotropic virus. It is predicted that its research and development will promote the development of other live vaccines and will provide the irreplaceable *duzhu* [du zhu 3021 2701] for research on the functions of the gene of cerebritis B virus and on the restructuring of the genes of strong and weak *duzhu*. The United States and Japan have asked for the *duzhu* for molecular biological research, while the Asian-Pacific Office of the World Health Organization is going to promote this vaccine in Southeast Asian countries where cerebritis B is common.

The research on the major vehicle of encephalitis B and on major host animals and the research on the clone of the gene of hepatitis B virus are near or have reached world-advanced levels. They won the second awards at the "1989 State Natural Science Award" this year.

The "Eighth Five-Year Plan" begins next year. We expect that vast numbers of scientific and technical personnel will confidently contribute more to the modernization drive.

Technical Arbitration Provisions Approved

OW2201221391 Beijing XINHUA Domestic Service
in Chinese 0915 GMT 22 Jan 91

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 22 Jan (XINHUA)—The State Council recently approved "Interim Provisions on Management of Technical Contract Arbitration Institutions." Li Xiaoshi [2621 2400 2514], vice minister of the State Science and Technology Commission, said that the implementation of the provisions is an important measure for improving the technical contract arbitration system and ensuring sound development of technical markets.

Commenting on the matter, Li Xiaoshi pointed out: It has been more than three years since the Technical Contract Law, an important law for our science and technology work, came into force. China's technical market is developing vigorously under the law. Statistics over the last three years show that more than 200,000 technical contracts were registered annually, involving technical deals with a total value of 7 or 8 billion yuan. Technical contracts have played a great role in promoting science and technology, economic, and social development. However, disputes over technical contracts have also increased. Correct handling of these disputes concerns not only the technical rights and economic interests of interested parties but also the steady development on the science and technology and economic fronts. Therefore, it is necessary to set up arbitration organizations to handle technical contract disputes and establish mechanisms for settling disputes over technical deals, to protect the legitimate rights and interests of parties concerned and maintain order in technical deals. The newly promulgated "provisions" contain clear and definite stipulations on the establishment and management of technical contract arbitration institutions and on the basic arbitration system. The "provisions" will supplement the Technical Contract Law. With stipulations regarding arbitration institutions and arbitration systems, the "provisions" facilitate implementation of the Technical Contract Law.

According to the "provisions," China will set up a number of arbitration institutions to handle disputes over technical deals and will train a new contingent of arbitrators with adequate legal and scientific and technical knowledge and knowledge about current policies, so as to handle technical contract disputes correctly and impartially and to promote the development of technical markets.

The "provisions" exemplify reform of working procedures of technical contract arbitration institutions and contain stipulations on agreement arbitration, final decision, and arbitrator roster systems. Provincial, autonomous regional, and municipal science and technology committees, as well as science and technology committees in provincial capitals, major cities designated by the State Council, cities with provincial level economic

decision-making authority, and special economic zones may apply for the establishment of arbitration institutions. National science and technology and mass organizations, as well as industrial associations, may also apply for the establishment of arbitration institutions in order to meet actual development needs of technical markets. In order to ensure the good qualifications of technical contract arbitrators, the State Science and Technology Commission will hold a unified national examination to evaluate arbitrators.

At present, the State Science and Technology Commission is formulating rules for the establishment of technical contract arbitration institutions in accordance with the "provisions." It will hold a national technical contract arbitration work conference in the first half of the year to discuss how to step up the establishment of technical contract arbitration organizations.

Military

Article Criticizes Depoliticization of Army

HK2201073391 Beijing RENMIN RIBAO in Chinese
16 Jan 91 p 5

[Article by We Chunguang (0702 4783 0342) and Wen Liantai (2429 6647 0669): "Advocating 'Depoliticization of the Army' Is an Attempt To Change the Nature of the People's Army"—first paragraph is RENMIN RIBAO editor's note]

[Text] The Political Department of the Air Force of the People's Liberation Army [PLA] Navy and the editorial department of RENMIN HAIJUN BAO [PEOPLE'S NAVY DAILY] jointly sponsored an activity to solicit articles for the column, "Discussions on Adhering to Socialism." The method of raising and answering questions was adopted by the cadres and soldiers during the activity to study socialist theories and carry out socialist education. Remarkable achievements were thus made in this vivid education. From August to the end of December, RENMIN HAIJUN BAO published excerpts of articles written by more than 100 cadres and soldiers, which answered more than 20 questions everyone is concerned with. We will now reprint below the article entitled "Advocating 'Depoliticization of the Army' Is an Attempt To Change the Nature of the People's Army" (which was originally entitled "'Depoliticization' Means Bourgeois Liberalization") for our readers' reference. [end editor's note]

There Are Not Any "Depoliticized" Armies in the World

Shan Dade [0830 1129 1795], political commissar of the Air Force of the PLA Navy: The "elite" advocating bourgeois liberalization had been peddling everywhere the so-called "depoliticization of the Army" of Western capitalist countries in order to attain their reactionary aims. As a matter of fact, the concept of the so-called

"depoliticization of the Army" is itself full of contradictions and does not hold water. According to the viewpoint of historical materialism, the Army cannot be separated from political affairs. Clausewitz, though a bourgeois strategist, also declared: "War is nothing but the continuation of politics by another means." Thus, we can see that in this world, there do not exist any "depoliticized armies." In all countries, the army is an armed group for carrying out political tasks. It belongs to and serves the ruling class. Especially, in the world today, the army has to serve either the politics of the masses of people or the politics of a small number of people of the exploiting class. There are no "neutral" or "depoliticized" armies in the world. For example, the U.S. invasion of Panama, which is a sovereign state, exposed the out-and-out power politics and hegemonism. It was for the interests of the monopoly bourgeoisie of the United States that the U.S. Army was sent to invade another country. How can we say that the U.S. Army, which always calls itself a "depoliticized" army, is not concerned with politics? If an army is really "depoliticized" as some people have advocated, it will lose its value and significance of existence.

The So-Called "Depoliticization of the Army" Is but a Deceitful Trick

Hu Yanlin [5170 1750 2651], director of the political department of the Air Force of the PLA Navy: Some Western countries stipulate in their constitutions that their armies are "depoliticized." For example, the U.S. Constitution says that the "Army does not belong to any political parties," that the "president is the commander in chief of the Armed Forces," and that "the soldiers in service are not allowed to participate in party activities." Many other bourgeois states also stipulate that "soldiers cannot participate in elections" and "should not be concurrently parliament members or government officials." It seems that their armies do not participate in government and political affairs. Facts prove just the opposite. Such written articles cannot provide a shred of evidence to show that the Western bourgeois armies are neutral in political struggles. So long as we use the class viewpoint to make a profound analysis of those armies, we can easily see their true faces. Although the president of the state is often changed in the United States, no matter who is in power, he represents the interests of the bourgeoisie. The class nature of the bourgeois state has never changed. It is natural that its army will not be involved in the political struggle which does not touch the fundamental system and fundamental interests of the bourgeoisie. Once their class interests are faced with certain threats, the army will take suppressive actions without the least hesitation. For example, when students at the University of California held a large-scale demonstration in 1969, the U.S. authorities not only used the Army, but also sent military planes to suppress the demonstration. This shows that the so-called "nonparticipation in political affairs" and "neutrality" of the army are but deceitful tracks.

Since an Army Is Established, It Is an Armed Group To Carry Out Political Tasks

Wang Xugong [3769 4872 1872], commander of the Air Force of the PLA Navy: I cannot be sure whether those who are advocating "depoliticization of the Army" have ulterior motives or are really innocent and naive. Anyone who has the least historical knowledge knows that all armies in history served the ruling class of their time. If they did not serve the ruling class, why should the latter provide for them? We all know that the state is an outcome of uncompromising class contradictions, and the army is an important component part of the state, which belongs to the realm of the superstructure, and a violent instrument of political struggle. In any historical period and in any country, the army should serve the ruling class. In Old China, people often talked of "maintaining an army for a thousand days to use it for an hour." The army is used to consolidate political power. In the ancient slave society, the army served the interests of the slave owners. In the feudal society, the army served the interests of the landlord class, and in a bourgeois country, the army serves the interests of the bourgeoisie. Likewise, in a socialist country, the army should serve the interests of the working people. In history, there was never a class-transcending "neutral" army.

The Party's Absolute Leadership Over the Army Is an Unshakable Principle for Us

Wang Zhangzhi [3769 4545 2535], political commissar of the logistics and technology department of the Air Force of the Navy: We can see clearly from the history of the Chinese proletarian revolution that our Army was founded and established by the CPC and has gradually developed under the direct leadership of the party. Since the day it was founded, it has been struggling for the realization of the party's line and program under the absolute leadership of the party. The practice in the revolutionary struggle over the past decades proves that whenever it adhered to the absolute leadership of the party, it advanced from victory to victory. Whenever it deviated from party leadership, it suffered setbacks or even failure. This special relationship between our party and Army was formed in the historical course of the Chinese revolution and construction and can never be destroyed by any person. Our Army did as the party said, and will always do as the party says.

Following Party Leadership Means To Be Always Ready To Answer the Call of the Motherland

Huang Decheng (7806 1779 6134), deputy commander of the Air Force of the Navy: The advocates of "depoliticization of the Army" have deliberately created a series of fallacies, saying that "the Army is a people's army and the state's army. It does not belong to a single party, the Communist Party." Their vicious purpose is to set the party against the state and the Army and to negate the party's absolute leadership over the Army. We do recognize that our Army is a people's army and the state's army. It is also the party's army. They do not

contradict each other but are related to each other. As everyone knows, our party is a ruling party, a party exercising leadership over the whole country. Its leading position was not granted by any person, nor by itself, but was formed in the long-term revolutionary struggle. It was entrusted by history and stipulated in explicit terms by the Constitution. As the party exercises leadership over the state, it naturally exercises leadership over the Army, which is an important part of the state apparatus. Therefore, there is no difference between the party's leadership over the Army and the state's leadership over the Army. Our Army should follow the party leadership. This means that it should be always ready to answer the call of the motherland. Those who try to negate the party's absolute leadership over the Army under the pretext of the people's army will work to no avail.

Combating Aggression From Outside and Opposing Subversion Inside Are Always the Dual Functions of the Army

Ma Bingzhi (7456 3521 5347), chief of staff of the Air Force of the Navy: Another argument the "elite" of bourgeois liberalization have set forth for "depoliticization of the Army" is that the Army "should only have external functions and no functions at home." As everyone knows, as an important part of the state apparatus, the Army is always playing two functions: Opposing subversion inside the country and combating aggression from outside. Before seizing the state power, its task was to defeat the hostile classes and seize power through armed struggle. After seizing power, its task is to be always ready to smash the revolt of the hostile classes at home. In fact, either in a bourgeois state or a socialist state, when the state power is under serious threat, the Army will be used to suppress the revolt of the hostile classes. For example, in England, the Army has been used 35 times since World War II to suppress workers' strikes. From this we can see that in this world, there is no army which only has external functions and has no internal functions.

The Purpose of Advocating "Depoliticization of the Army" Is To Change the Nature of Our Army

Shi Yunsheng [4258 0061 3932], deputy commander of the Air Force of the Navy: By advocating the so-called "depoliticization of the Army," the real purpose of those advocates is to make our Army abandon proletarian politics rather than divorce it from politics so that the Army may serve bourgeois politics and their vicious political purpose of "all-around westernization." Is this not the case? Let us look at their "summary" of the lessons drawn from their failure in the turmoil: It was a great strategic mistake that "we did not have a grip on the Army." Even "if we had a grip on a division, the situation would be entirely different." In the future, "we must do a great deal of work in the Army." This fully shows that by advocating the so-called "depoliticization of the Army," those bourgeois politicians did not aim to make our Army maintain "neutrality" but to put it under their command. The real purpose of this deceitful trick is

to make the Army do as they say and follow their instructions so that its nature can be changed and it can serve as their backing in case of turmoil.

To Ensure That Our Army Is Always Politically Qualified Is an Internal Demand of the Nature and Tasks of Our Army

Bao Xihuan [0545 6932 1360], deputy political commissar of the Air Force of the Navy: To ensure that our Army will successfully fulfill the glorious tasks entrusted by the party and the people, it is most important to ensure that it is always politically qualified. To this end, it is necessary to vigorously strengthen its political building so that it can maintain a high degree of unanimity with the party Central Committee in the ideological and political fields as well as in action and so that it can always be ready to answer the call of the party Central Committee and carry out its orders. Just as was pointed out by Comrade Deng Xiaoping, our Army is always an army under the leadership of the party, a defender of the state, a defender of socialism, and a defender of the people. We must always bear in mind the teachings of proletarian revolutionaries of the older generation and effectively do a good job in strengthening the political building of the Army so that our Army can be built into a great wall of steel that is always loyal to the party, to the people, and to the socialist motherland, and so that the Army can always be in an invincible position in the struggle against infiltration, subversion, and peaceful evolution.

Jinan Military Region Party Plenum Opens

SK1701113791 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Jan 91

[Text] How should we boost the morale of our Army, firmly grasp implementation, and truly make our Army qualified in politics, strong militarily, strict in discipline, and effective in logistical support? This is an important item on the agenda under discussion at the fifth enlarged plenary session of the sixth party committee of the Jinan Military Region, which ended on 16 January.

Zhang Wannian, deputy secretary of the party committee of the Jinan Military Region, pointed out at the session: Over the past year, party committees at all levels of the Jinan Military Region have firmly implemented the series of important policy decisions and instructions adopted and given by the CPC Central Committee and the Central Military Commission, and have made every effort to lay a foundation, stress regular work, grasp implementation, and yield results by closely centering on ensuring that the Army is qualified in politics forever. As a result, they have effectively ensured the stability and unity of the Army and ensured the satisfactory fulfillment of various tasks, military training in particular.

At the session, Song Qingwei, secretary of the party committee of the Jinan Military Region, called on all cadres and fighters of the region to give full play to their initiative and creativity, and consciously persist in high

standards and strict demands. In the field of political work, we should concentrate on grasping party building, enhancing the fighting capacity of party organizations at all levels, and consolidating the political confidence among the troops. In the military field, we should strengthen basic training, reform the methods of training, and manage to make a new situation in military training. In the field of Army management, we should vigorously strengthen the regular ideological and managerial work, effectively check the listless situation, prevent and eliminate serious accidents and vicious cases. In the field of logistics work, we should pay attention to broadening sources of income on the one hand and reducing expenditure on the other hand to effect a relatively big progress in production and management. By doing so, we can really make our Army qualified in politics, strong militarily, strict in discipline, and effective in logistics support.

Attending the session were Zhang Zhijian, Yan Zhuo, Lin Jigui, Qu Jining, Cai Renshan, Yang Guoping, Jiang Futang, and Hao Baoqing, Standing Committee members of the party committee of the Jinan Military Region.

Xinjiang Military Relays 7th Plenum Spirit

HK2201150391 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 19 Jan 91

[Excerpt] At the meeting to relay the spirit of the Seventh Plenum of the 13th CPC Central Committee held on the afternoon of 18 January, the leadership of the Xinjiang Military Command called on officers and men to work hard in unity to improve their combat effectiveness in an all-around way. [passage indistinct]

A total of 1,000 officers and men heard the relayed report on the Seventh Plenary Session of the 13th CPC Central Committee. [passage indistinct]

The leadership of the Xinjiang Military Command made three demands on officers and men:

1. Make a thorough analysis of the situation to clearly understand their arduous tasks. Do the work in all fields properly and be ready at any time to make fresh contributions to maintaining the motherland's unification and security in the border area.
2. Continue to implement the policy for maintaining stability and maintain a high degree of stability in the Army.
3. Make vigorous efforts to strengthen party building to ensure the Armed Forces are always reliable politically. [passage omitted]

Nanjing Military Region Committee Studies Plenum

OW1801064691 Nanjing XINHUA RIBAO in Chinese
7 Jan 91 p 1

[By reporters Liu Donggeng (0491 2639 5087) and Ba Kunya (1572 0981 0068)]

[Text] The central tasks on the agenda of the 21st Plenary Session of the Seventh Nanjing Military Region CPC Committee, held from 3 to 6 January, were to seriously study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee; to define the major responsibilities shouldered by the military in the second phase of the strategic goal of China's modernization drive; to effectively do a good job in improving and reforming the Armed Forces; to actively participate and support economic development; and to work hard to increase economic and social development in the next 10 years.

Secretary Shi Yuxiao; Deputy Secretary Gu Hui; Standing Committee members Guo Tao, Guo Xizhang, Jiang Yutian, Wang Yongming, Pei Jiuzhou, Zhang Zhongde, Lan Baojing, and Wang Tailan; and all the members of the Nanjing Military Region CPC Committee attended the session. Leading comrades of the Nanjing Military Region Air Force and the military colleges in Nanjing attended the session as observers.

Comrades attending the session seriously studied the documents of the seventh plenary session and carried out lively debate by linking them with reality. At the session, Comrades Shi Yuxiao and Gu Hui spoke on how units in the military region should relay, study, and implement the guidelines of the seventh plenary session. They pointed out: The military's first important task this year is to study and implement well the guidelines of the seventh plenary session. Party committees at all levels must accord importance to this matter and strengthen leadership. Leaders and organs at the regimental level and above must take the lead in studying and having a good grasp on the gist of the documents; heighten their ideological knowledge, publicize the documents well among the troops; reply to knotty issues of concern to the cadres and soldiers; guide the officers and men to clearly understand the important position and role of the military in realizing the second phase of the strategic goal; further strengthen their socialist conviction; enhance their awareness to implement the party's basic line; heighten their sense of responsibility to revolutionize, modernize, and regularize the Armed Forces; and actively make contributions to ensure the success of the ten-year development plan and the Eighth Five-Year Plan. They also noted: Troops in the military region must further implement the "Summary" of the All-Service Political Work Conference and the "Program for Building Ground-Level Units of the Armed Services," make serious efforts to improve and reform themselves, and vigorously step up efforts in political work, party building, military training, and regularization in order to effectively shoulder the sacred mission of defending the motherland and protecting the people while they work in peace. These are the greatest contributions that the Armed Forces can make to economic and social development in the next 10 years. They stressed: When the party and government care more about the troops, they should share more of the party's and government's burden, be more thrifty, and work harder. Of their own

accord, they must subject themselves to the overall goal of economic development; actively participate and support economic development; constantly send and help train skilled personnel for the localities; eagerly help the old revolutionary bases and minority, frontier, and impoverished regions discard poverty; and courageously fulfill rescue, relief, and other emergency missions. The military region covers five provinces and one municipality in eastern China, and has quite a large number of important state construction projects. All units must proceed from reality, exercise their preponderance, and strive to make contributions to economic and social development in the localities where they are stationed.

Liaoning Views Enforcement of Military Laws

SK1801113991 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 17 Jan 91

[Text] On 16 January, Zuo Kun and Cheng Jinxiang, vice chairmen of the provincial People's Congress Standing Committee, made a special trip to the Liaoning Provincial Military District to inspect the work, solicit the opinions of Army leaders on enforcement of relevant military laws, and learn how governments at various levels handled national defense.

During the inspection, leaders of the provincial People's Congress made particular efforts to learn how the province had enforced the law on the protection of national defense and military facilities, and where the problems were. They also solicited opinions of the Army units on the regulations concerning national defense education which would soon be approved and enforced in our province. Xiang Jingyuan, commander, and Li Yinliang, chief of staff of the provincial military district, introduced relevant work to leaders of the provincial People's Congress Standing Committee. They said: Governments at various levels and the vast number of people throughout the province have been conscientious and active in enforcing the law on the protection of military facilities. They established a committee for the protection of military facilities, formulated plans for the enforcement, and designated military facility protection zones in the province. The achievements were remarkable. However, some problems still exist in some localities. Therefore, efforts should continuously be made to intensify publicity and education to fundamentally raise the awareness of all leading persons and the masses in protecting military facilities.

Leaders of the provincial People's Congress Standing Committee attached great importance to the opinions given by comrades of the Army. They pledged to report these opinions to governments at various levels in a timely manner, supervise how they are put into effect, and strictly punish the acts that seriously violate the law on the protection of military facilities.

Armed Forces Cooperate With Foreign Countries

OW1801195591 Beijing XINHUA Domestic Service in Chinese 0318 GMT 18 Jan 91

[By reporter Jia Yuping (6328 3769 1627)]

[Text] Beijing, 18 Jan (XINHUA)—Active friendly contacts and fruitful military technological cooperation by the Chinese Armed Forces with foreign countries over the last five years have promoted mutual understanding and friendship and expedited the Armed Forces' modernization.

According to relevant authorities, during the five-year period, Chinese Armed Forces maintained contacts with more than 60 countries, sent nearly 2,000 people in 147 military delegations on visits abroad, and received 13,000 foreign military visitors in 304 groups. Compared to the previous five-year period, the numbers and ranks of incoming and outgoing visitors were conspicuously higher. While underscoring and consolidating friendly cooperation with Third World countries, Chinese Armed Forces also actively promoted military contacts with neighboring countries, the Soviet Union, and East European countries, as well as developed Western countries at all levels. These contacts played an important role in promoting mutual understanding and friendly cooperation between the Chinese Armed Forces and their foreign counterparts.

The Chinese Armed Forces' special technical cooperation with foreign countries continued to expand in scope and size in many fields. During the five-year period, Chinese Armed Forces increasingly emphasized promoting special technical cooperation with foreign countries, and more than one-third of the incoming and outgoing visitors were specialists. Various forms of exchange heightened the Chinese Armed Forces' international influence and broadened the vision and knowledge of personnel in relevant departments of the Chinese Armed Forces.

Leaders Send Wreaths to Guo Jinlin's Funeral

OW1901122691 Beijing XINHUA Domestic Service in Chinese 0442 GMT 19 Jan 91

[Excerpt] Nanjing, 19 Jan (XINHUA)—Comrade Guo Jinlin, a long-tested loyal communist fighter, an excellent member of the CPC, an excellent leading cadre of the political and logistic work of our Army, and a former adviser of the Nanjing Military Region, died of illness in Nanjing on 30 December 1990. He was 77 years old when he died.

A farewell ceremony for the remains of Comrade Guo Jinlin was held in Nanjing on 18 January. Among those who sent wreaths to the ceremony were Wang Zhen, Li Desheng, Yu Qiuli, Zhang Aiping, Chen Pixian, Ye Fei, Liao Hansheng, Hong Xuezhi, the CPC Central Committee, the Ministry of National Defense, and the three general departments [the General Staff Department, the General Political Department, and the General Logistics

Department] of the People's Liberation Army. Over 400 representatives of the cadres and servicemen of the Nanjing Military Region participated in the farewell ceremony for the remains [of Comrade Guo Jinlin]. [passage omitted]

Economic & Agricultural

Li Peng Addresses Forum on Financial Work

OW2001052591 Beijing XINHUA Domestic Service
in Chinese 1423 GMT 19 Jan 91

[By reporter Liu Zhenyin (0491 2182 5391) of the Central People's Broadcasting Station and XINHUA reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 19 Jan (XINHUA)—Li Peng, premier of the State Council, yesterday took part in a forum attended by the heads of bank branches and general managers of branches of various insurance companies from across the country. Premier Li Peng delivered an important speech at the meeting. He emphatically pointed out that, in the wake of the planned development of commodity economy in our country, it is necessary to further strengthen and do a good job in financial work and to effectively develop the role of financial work in the macroscopic [hong guan lishu] regulation and control of the national economy to allow it to develop a sustained, steady, and coordinated way.

Li Peng said: Since the beginning of the reform and opening to the outside world 10 years ago and during the past two years' implementation of the policy of improving the economic environment and rectifying the economic order, great changes have taken place in the financial sector. The financial work has played a very great role in promoting reform and opening to the outside world and in implementing the policy of improving the economic environment and rectifying the economic order. It has played a principal role in supporting national construction work with funds and a number of reform measures. The financial sector itself also has undergone reform. China's reform is aimed at realizing the integration of a planned economy with market regulations, which is different from both the capitalist pattern of a market economy and the country's former economic pattern of purely planned incomes and expenditures. In particular, in spite of the relatively difficult situation of our economic work last year, industrial production has gradually improved, commodity prices have been brought under control, the monetary market has been relatively stable, and our country's foreign exchange reserve has increased. Comrades in the financial circle have made great contributions toward realizing all those achievements. Today, on behalf of the party Central Committee and the State Council, I wish to express my gratitude to all staff members and workers on the financial front!

Li Peng pointed out: Naturally, in order to implement a tightened financial policy, the economic interests of some localities and departments will certainly be influenced. However, from the overall and long-range point of view, the policy is good for the country and the people. Some of the losses will be temporary or only affect some local areas. Yet we must not pour out complaints against our comrades working in the banking field. Nevertheless, we must also note that there are some shortcomings in our banking work with respect to working methods and work style. Regarding those shortcomings, we must sum up our experiences and make improvements to do a still better job. At present, people in all fields are quite concerned about our banking work. This reflects the importance of banking work. In the future, banks will play an even greater role in developing the planned commodity economy, and financial work will become an important means in enforcing macrocontrol. We need funds for the development of production, for the procurement of agricultural and sideline products, for the development of foreign trade, and for many other purposes. In order to realize the integration of a planned economy with market regulation, the macroscopic control of the national economy will rely more and more on the lever of interest rates, the volume of bank deposits, the scale of loans, and currency issuance. Therefore, some of those problems must be tackled by banks. Accordingly, first we should affirm the achievements of our financial work, and second, we should see that our banking work still cannot suit the requirement of the further development of the national economy. In this respect, we must ask banks to constantly raise their working efficiency and professional skill.

When he touched on this year's banking tasks, Li Peng pointed out: This year's banking tasks will be very heavy, extremely honorable, and extremely important. Banks must insist on upholding the policy of "controlling the total volume and correcting the structure," implement the guidelines of the seventh plenary session, and play a greater role in overall regulation. First, they must resolutely support a sustained, stable, and balanced development of the economy. We must maintain a proper growth rate in economic development, and focus on "quality varieties, and returns" in economic and enterprise-related work. Therefore, the banking sector must, in the first place, support industrial and agricultural production to ensure that industries and agriculture expand at a proper rate under the Eighth Five-Year Plan and the ten-year development plan. Next, to stimulate the market and solve some of the problems in the sluggish market, the banking sector must increase investment in fixed assets to a suitable extent. The People's Bank of China, the Construction Bank, the Communications Bank, and all banks involved in capital construction should see to it that loans for fixed assets are provided on time. Loans for fixed assets in the financial sector should also be provided on time. This is the only way in which we can maximize our returns from capital. Of course, we must continue to control the overall volume, and should not exceed the limit. In particular,

we must impose strict control over loans for projects outside planning, and for the construction of office buildings, auditoriums, and guesthouses. All these years, state-run large and medium-sized enterprises have made great contributions to the country, and are an important source of revenue for the state. The technology and equipment of many of these enterprises are obsolete, their factory buildings old and dilapidated, and their production conditions poor. If this continues, the capability of our large and medium-sized enterprises to compete will gradually decline. Therefore, towards these enterprises, the state must, on the one hand, tap their potential, and on the other, invest something in them to upgrade their technology. We hope the People's Bank and the specialized banks will voluntarily and actively provide funds to support those enterprises whose technology needs to be upgraded. Furthermore, the banking sector must set aside some of their funds for upgrading technology to invest in some special projects. They must also provide small short-term loans to help enterprises upgrade their products. They must actively support the procurement of nonstaple farm produce. Last year, the increase in bank loans was quite large, and a considerable portion of them were used to increase the stockpile of materials. As we had a bumper harvest last year and to avoid a slump in the price of farm products, which will harm the peasants, the state took actions to build up its special grain reserve by purchasing a fairly large amount of grain. This has used up a lot of funds. On top of this, we also increased our stockpile of nonferrous metals, steel products, and other strategic materials. We must also note that a considerable portion of the increase in loans was comprised of "interlocking debts" and overstocking of finished products. These are irrational factors. The money supply last year did not exceed the original plan because the situation of savings deposits was good. There was a larger increase in savings deposits, and this is a good thing.

When he dwelled on the management system of banks, Li Peng said: Banks are an important means for regulating the national economy. The People's Bank is the central bank which makes policies and leads and manages the various specialized banks. The specialized banks are also policymaking banks being managed as business concerns. Because they are business concerns, there is a the problem of conflict between social benefits and their interests. When conflicts occur, they should place social benefits first, and their interests second. In general, banks must institute a vertical leadership system. The specialized banks as well as the People's Bank are all under vertical leadership, but provincial people's banks must play a regulatory role over the other specialized banks in their provinces. This is very necessary. The specialized banks must adjust the surplus and shortage of funds among themselves, and regulate the time difference during the use of funds. China is a vast country with many provinces, but the market is a centralized one. As a result, our banking and currency are also centralized, and must not be broken up. Under current management practice, there are signs of a separation in banking as well

as the marketing of products. We must take some measures to break up regional separation. But we must also accord due consideration to local interests.

Li Peng called for making great efforts in solving the problem of "triangle debts." He said the problem is a major problem troubling our economy. Last year we injected a large amount of capital to help maintain the production at some enterprises; the move should be fully affirmed. However, the infusion of capital created a new stockpiling of products. With the market's development and the gradual coming to an end of its sluggishness, I believe the situation of product stockpiling will be improved. Last year, the State Council organized the work of clearing various kinds of enterprise debts. Generally speaking, results have been achieved in clearing enterprise debts. However, there were cases in which an enterprise was again burdened with new debts after it cleared its previous debts. The general trend shows that cases of "triangle debt" are now fewer, but the problem has not been entirely solved. Therefore, we should seek to further solve this problem this year. Of course, a sluggish market is one of the chief reasons that causes late payments among enterprises. Products that are in high demand have no stockpiling problem. Enterprises that produce goods with little market demand tend to be late in making payments. The only way for enterprises to clear out their debts is to carry out structural readjustment within themselves and develop a market for their products. This year, we will step up the work on further clearing "triangle debts." The State Council is prepared to form groups that will help enterprises tap their potential and clear debts. We will establish a system and resolutely do away with the unreasonable "late payment is justified" phenomenon. We will also further improve the collection and acceptance system. In addition, we will help tap enterprise potential. Though enterprises face difficulties, they still have potential. We should combine the debt-clearing work with that of tapping enterprise potential.

On the modernization of bank business, Li Peng pointed out that the State Council supports the banks' efforts to realize modernization and computerization. The pace of banks' modernization and computerization should be accelerated. We should strive to obtain optimal results in this area of work. The modernization and computerization of the banking system should start first in economically developed areas and in key cities, and then gradually be expanded to inland areas; first in large and medium-sized cities, and then in the townships and villages. We should constantly accumulate experiences from the operation of computer systems that have gone into service.

Li Peng called on the banks to step up the training of financial professional personnel. He said that since the banks are playing an increasingly more important role and will be more heavily burdened in the development of the national economy, it is not enough that their personnel only know the counting and cashier trades. Li Peng pointed out that banks will need personnel who

possess varied knowledge of finances, economics, industry, electronic computers, and law. At the same time, Li Peng called on the banks to strengthen their leadership. He indicated the following ways in which to proceed with the work: 1) Training personnel to assume leading posts; 2) recruit personnel for leading posts; 3) transfer outstanding personnel from relevant departments and government departments to the banks; 4) recruit consultants. All in all, it will be necessary to use various channels to strengthen the construction of the working contingent. People's banks and specialty banks should give priority to the training of personnel.

When talking about the building of a clean government, Li Peng pointed out that because banks manage money, it is only natural that the main purpose of banks is to achieve results. Because of weak ideological and political work, and because of the inconsistency of adopting a "hard ideological stand at one time and a weak ideological stand at another time" for a period in the past, some bank personnel made mistakes. Banks should draw a lesson from this and enhance the work of keeping their staff members honest and uncorrupt, and heighten their sense of organization and discipline. Clearing out corrupt elements within the banks will not hurt the reputation of the banks. If we handle matters impartially, are selfless, and dare to deal with corruption, we will win a high reputation for the banks. We should commend those outstanding personnel who wholeheartedly serve the people and protect the state's interests, and we should crack down on those corrupt criminal elements. Therefore, it is necessary to foster a healthy tendency that accords with the socialist spiritual civilization in our banking circles. With the constant development of the banks, there will be shortages of office buildings and housing facilities for staff members. Office buildings for banks and houses for banking staff can be built as long as they are natural, in good taste, and practical.

Touching on the question of trust companies, Li Peng pointed out: In the course of rectifying the economy order, quite a few trust companies have been dissolved or merged. However, this does not mean that we will not need trust companies. We still need trust companies as a means for the accommodation of funds. We must do a better job in the operation of trust companies and further develop leasing businesses.

Li Peng pointed out: The insurance business is also very important work. Three reforms will be put in an important position in the next decade. They consist of the housing system reform, the insurance system reform, and the medical-care system reform, which are all directly related to the vital interests of the people. He said that the insurance business in our country has a bright future. Now we have started to develop various kinds of insurance business, and various enterprises as well as the people have benefited from the insurance business. We should strengthen and develop insurance work for people who are waiting for jobs and provide pensions for aged people. The insurance business in our country still has a great potential. It can not only absorb

a part of funds from society, but, what is more important, it can also help with the readjustment of the economic structure, raise benefits for people, and promote social stability.

In conclusion, Li Peng called on comrades in the financial circle to make further efforts in the new year and to make new contributions toward promoting the development of the national economy in a sustained, steady, and coordinated way.

The forum was presided over by Li Guixian, state councillor and president of the People's Bank of China. Also present at the forum were State Councillor Wang Bingqian and responsible comrades of the departments concerned.

Article Views Developing Socialized Services

HK2101063191 Beijing NONGMIN RIBAO in Chinese
12 Dec 90 p 3

[Article by Zhang Guangyou (1728 1639 0645): "Understanding and Reflecting on Developing Socialized Services and Improving the System of Contracted Responsibility on a Household Basis With Payment Linked to Output—This Article, Abridged by NONGMIN RIBAO, Is a Special Report Delivered by the Author at the Prefectural and County Level Rural Cadre Training Class Run by the State Planning Commission"]

[Text] Editor's note: It is a very important task in the deepening of rural reform to develop an agricultural socialized service system. This article analyzes the source and developing trend of agricultural socialized services, expounds the great significance of the settlement of this question to the development of China's rural productive forces and the prosperity of the rural economy, and raises a number of questions which merit attention on the road forward. All localities are now earnestly studying the "Circular by the CPC Central Committee and State Council on Agriculture and Rural Work in 1991." We hope that this article can serve as a reference when studying the "circular." [end editor's note]

In the course of rural reform, we have established a two-layer operation and management system, integrating centralization with decentralization through implementation of the system of contracted responsibility on a household basis with payment linked to output, and found a new form of operation for the collective economy which can meet the requirements of development and the level of productive forces. Extensively adaptable, this operation system has great vitality. As a basic system for the rural areas, it should be stable for a long time and continuously perfected. Stability is the foundation of perfection and the purpose of perfection is to appropriately resolve the problems arising in the course of implementation, rather than to alter the system of contracted responsibility on a household basis with payment linked to output. ("Circular by the CPC Central Committee and State Council on Agriculture and Rural Work in 1991")

The question of socialized service is a hot, popular topic in current rural reform as well as an important question in current rural propaganda and reportage. It has attracted the attention of the broad ranks of rural workers and peasants. In accordance with practice, all localities are now carrying out discussions on the issue. Many provinces, autonomous regions, and municipalities have held various forms of symposiums and meetings to exchange experience. I attended the Socialized Service Theoretical Symposium held by Mouping County, Shandong; the meeting to exchange experience in socialized services held by Tianchang County, Anhui; and the Socialized Service Symposium held by Dingxiang County, Shanxi. I also read a great deal of material concerning the issue. After summing up the material read during this period I would like to express my understanding of and thinking on the issue.

Achievements of Rural Reform and Problems on the Road Forward

Raising the question of socialized services was by no means accidental. It reflected the inevitable internal demand of rural productive forces and means of production at a certain development stage. To gain a clear idea of the question, it is necessary to briefly review China's rural reform.

Following nationwide liberation, our country started to build socialism. We had to advance amid exploration because socialism was a new undertaking and there were no ready experiences to follow, particularly for developing socialism in a country like ours. In the 20 odd years from agricultural cooperation to the Third Plenary Session of the 11th CPC Central Committee, we took a tortuous road in which there was both the joy of success and the suffering from mistakes. Under the long-term influence of the "leftist" thinking, China's agricultural production and rural economy suffered serious setbacks. The lessons were bitter!

Guided by the thinking of emancipating the minds and seeking truth from facts since the Third Plenary Session of the 11th CPC Central Committee, China embarked on the road of reform which had great historical significance. As stated by Comrade Deng Xiaoping: Without reform, there would be no way out. The great change started first in the rural areas. Historical practice over the past decade shows that China's rural reform has been successful and great progress has been made in the rural economy. The total agricultural output value increased at an annual average of 6.2 percent from 1979 to 1988, more than doubling the annual average rate of 2.7 percent in the previous 26 years. Grain output increased from 300 to 400 million tons. The output of other principal farm produce, such as cotton, edible oil, and sugar crops, doubled. Fishery, animal husbandry, and township enterprises also developed rapidly. The success of rural reform laid a solid foundation for the country's stability and economic development.

The achievements of the decade-long rural reform are acknowledged worldwide. Of this, the most prominent point is that China, a country whose population accounts for a quarter of the world's total, basically resolved the problem of feeding and clothing its people. Moreover, a change has been effected from a traditional to a modern agriculture and from a natural to a commodity economy. We achieved gratifying successes in exploring the road to socialism with Chinese characteristics.

There are various reasons for the great successes achieved in China's rural reform, of which the fundamental one is extensive implementation of the system of contracted responsibility on a household basis with payment linked to output. It integrates centralized and decentralized operations, settles the problems of egalitarianism in distribution and headlong mass action and blind guidance in production, upholds socialist orientation, arouses the enthusiasm of the vast numbers of peasants, gives full play to the superiority of the collective economy and enthusiasm of individuals, and resolves the long-standing problems in agricultural cooperation. It is a great innovation by the Chinese peasants in realizing socialist modernization.

In China's rural reform, we developed a two-layer operation which integrates centralization with decentralization through implementation of the system of contracted responsibility on a household basis with payment linked to output and found a new form of operation for the collective economy which could meet the requirements of development and the level of productive forces. Any new system and new organization form must undergo a process of, results, development, and continuous perfection. Hence, it is bound to encounter new problems on the road forward. As a fundamental measure in China's rural reform, the system of contracted responsibility on a household basis with payment linked to output, will also encounter new problems when it has resolved old ones. Only by constantly resolving problems can things develop and constantly advance. In the course of the transformation from "a three-level ownership with the production team as the basic form" to the system of contracted responsibility on a household basis with payment linked to output in China's rural reform, all localities encountered a variety of problems. These problems can generally be divided into the following two categories:

First, while fixing farm output quotas for each household and implementing the all-around contract system some localities encountered problems in their work which have not yet been completely resolved: The plots contracted are fragmentary, small, and unsuitable for farming; some localities even shared the facilities and property accumulated by the collective which should not have been shared. Meanwhile, there are a number of poverty-stricken villages which do not have any collective accumulation. Apart from the land contracted to peasant households, the collective has nothing.

Second, following the establishment of the system of contracted responsibility on a household basis with payment linked to output, and in the course of its perfection and development, many new problems emerged in production: Modernization and socialization of production broke through the scattered, small-scale operations and natural economy. Viewed from the practical conditions in various localities, a considerable number of localities have realized that the problems arising from the land contracted responsibility system based on individual operation, with payment linked to output, must be studied and resolved. First, with the extensive application of agrotechnique and science, the peasant household contractors have increasingly realized that it is inconvenient, not worth it, and inadequate to adopt new measures in certain links of production and to increase agricultural output. For example, there are indeed many difficulties for the scattered individual households in select seeds, carrying out mechanized operations, draining off water and irrigating land, and protecting vegetation. Moreover, it is beyond the ability of the peasant households to build large-scale farmland capital construction projects, increase the capacity to resist natural disasters, improve the basic conditions of agricultural production, exploit new resources, and expand the scope of production. Second, in the course of the transformation from a self-sufficient natural economy to a commodity economy, the supply of materials for agricultural production and sales of farm produce have increasingly become important issues. The contractors should do a good job of agricultural production and fulfill the tasks of supply, production, and marketing. This is also beyond the ability of the individual peasant households. Moreover, when production on a household basis has become an independent unit, it is a difficult problem for various social fields and departments to maintain economic ties with the large numbers of highly decentralized economic cells.

All this generally reflects the new problems arising from implementation of the system of contracted responsibility on a household basis with payment linked to output. How to analyze and understand these new circumstances and appropriately resolve the new problems is a major issue related to sustained, steady, and coordinated development of China's agricultural production and rural economy, as well as the in-depth development of China's rural reform.

Developing Socialized Services and Deepening Rural Reform

Following implementation of the system of contracted responsibility on a household basis with payment linked to output in China's rural areas, there have been various views on how to further deepen the reform. When the country's total output of grain, cotton, and other major farm produce stagnated after 1984, the situation evoked general concern. Some people suspected the system of contracted responsibility on a household basis with payment linked to output. Some even attributed the stagnation in grain, cotton, edible oil, and other major

farm produce, and the problems emerging in the rural areas with the system of contracted responsibility on a household basis with payment linked to output, believing that the "system's energy has been totally released" and that it has become an "obstacle" to the continuous development of agricultural production. To upgrade agricultural production to a new level, it is necessary to put an end to the current household contract situation. Since last year, some people who originally insisted that the system of contracted responsibility on a household basis with payment linked to output was tantamount to "individual farming" and "retrogression," have raised more doubts about the contract system. Some even regard it as the source of all current rural problems, negate it, and link it to bourgeois liberalization.

However, large numbers of comrades proceeded from the reality of the level and development requirements of current rural productive forces, believing that the system of contracted responsibility on a household basis with payment linked to output, which was extensively adaptable and which had great vitality, should be fixed for a long time and effective means should be adopted to resolve the problems arising from implementation.

Through years of study, exploration, and practice, an increasing number of people eventually gained common understanding of an important issue: The development of socialized services can stabilize the system of contracted responsibility on a household basis, with payment linked to output. This is the central link in deepened rural reform.

I.

Practice by a number of localities has proved that under the circumstances of no major improvements being made in other conditions, agricultural production will still have great vitality so long as socialized services are enhanced on the basis of the implementation of the system of contracted responsibilities on a household basis, with payment linked to output. Dixian Prefecture Anhui Province, the hometown of the "all-around contract system," increased grain output for 11 successive years. Its commodity grain output in 1989 showed an increase of several hundred million jin over 10 years ago. Farming, breeding, and township enterprises also developed rapidly. One of their essential experience was to concentrate efforts on establishing a series of services networks at various levels and spread agriculture-economy, agriculture-technology, and agriculture-mechanization throughout the whole prefecture. According to Lu Zixiu, secretary of the prefectural party committee, "household operation by the peasants remains at the level of 'decentralization' and only by appending the decentralized level of socialized services can the all-around contract be complete. Developing socialized services constitutes the contents of the all-around contract system." Like many other parts of the country, Heilongjiang's Zhaodong City implemented the system of contracted responsibility on a household basis

with payment linked to output. The city has improved socialized services in recent years and all 326 villages under the city could offer tractor-plowing, irrigation, chemical fertilizers, fine breeds, pesticides, and other services which were beyond the ability of individual households. Thanks to better services and other factors, the city doubled grain output in only four years. It is noteworthy that the city doubled its grain output at the time when the nation's grain production was stagnant and when there were rumors in society that the contract system no longer had vitality.

Apart from some large farms, agriculture of the developed countries today is characterized by household operation. Moreover, household operations are closely related to developed socialized services. According to a 1982 U.S. general survey, the country had a total of 2.24 million farms, of which 1.991 million were household farms, accounting for 89 percent of the total and covering 81 percent of the total cultivated land. Japan realized agricultural modernization in the mid-1970's. By the 1980's however, household farms which did not hire laborers and which operated within an area of 1.5 hectares accounted for over 90 percent of the total. The agricultural structure of the EC nations was more or less the same. Although some people predicted a few years ago in light of the capitalist trend of "the big fish eating the smaller ones" that "it is time for household farms to step down from the stage," household farms still remain today and are continuously displaying their vitality. A study can help us realize the essential reason: Developing socialized services resolved the problem of insufficient technological strength resulting from small-scale operation. The proportion of laborers of almost all these countries directly engaged in agricultural production is now far lower than those directly or indirectly engaged in agricultural services. In the United States for example, the latter accounts for around 30 percent of the total number of laborers while the former, for only around 9 percent. Naturally, we cannot assimilate the methods of the capitalist countries as our system is fundamentally different from theirs. Nevertheless, we can take as reference the road of offering socialized services.

II.

Developing socialized services involves the development of agricultural productive forces as well as the trend of rural structural reform and perfection of the rural superstructure. It is an important measure for stabilizing and perfecting the system of contracted responsibility on a household basis with payment linked to output and also the key link for deepening rural reform.

Viewed from economic behavior, developing socialized services is an essential step for agriculture to move toward specialization and socialization because the rural economy is quietly undergoing reorganization and resolution behind such behavior. On the one hand, it is the reorganization of essential production factors. In the service networks at the county, village, and peasant household associations level, the means of production,

technology, capital, and labor of the state, collective, and individuals should be reorganized so that the latent productive forces can be turned into real productive forces. On the other hand, it is the resolution of the production process. It resolves the functions of the whole process of production originally concentrated in the peasant households. It is precisely this reorganization and resolution which have smashed the closed-type self-sufficient rural economy. Operation of peasant households, which has become a link in the chain of social production as a whole, is brought into line with the coordination system of socialized production, thus promoting the process of socialization and specialization of agricultural production and laying down favorable conditions for developing commodity production and spreading advanced science and technology in the rural areas.

Why do we say that development of socialized services involves the trend of rural structural reform? This can be explained from two aspects: The internal and external parts of agriculture. First, it is necessary to establish a two-layer operation structure within agriculture so that small-scale household operation can be combined with the large scope of socialized services. Land contracted by thousands of individual peasant households is merged through socialized services. Based on stabilizing the system of contracted responsibility on a household basis with payment linked to output, the merged land is developed to large commodity production bases which can turn out efficiencies of scale. Regarding agricultural operations of scale, people usually limited it to the amount of land cultivated by an operation unit or to the massive gathering of human and material resources. Actually, this is only one kind rather than the whole. The other kind is the level of specialization and socialization and scale of the combination of various essential production factors, except land. Apart from a small number of economically developed regions in China, nonagricultural industries in most of the rural areas are still underdeveloped. As a result, the peasants still have misgivings about leaving land, which they depend on for social insurance, and both subjective and objective conditions for amassing land, to a small number of expert peasants who can carry out operation of a scale. Nevertheless, the peasants are willing to accept services because socialized services can meet their demands for developing production and do not touch the most sensitive issue of their production and operation decision-making powers. As they "badly need but cannot obtain" social services, there is no problem of psychological or social turbulence. Second, socialized services outside agriculture have erected a bridge by economic means between small production and the big market and between the economic activities of millions upon millions of peasant households and state planning. The state can obtain information of the materials and quantity required through socialized services, embody the policy of encouraging or restricting capital, technical, and material support in light of state planning and market demand, guide the peasants' production and operation,

avoid blindness disadvantageous to state planning, and prevent market fluctuations which may increase peasants' risks. Many comrades have read Lenin's "On the System of Cooperation." Cooperatives mentioned in the book refer to the circulation and financial cooperatives. It seems that organizing production through circulating finance, material supply, science and technology, and other services constitutes an essential content of perfecting the system of contracted responsibility on a household basis with payment linked to output.

In a word, to develop socialized services and establish and develop a socialized service system, it is necessary to pay attention to the following two interrelated aspects: First, stabilize and perfect the two-layer system combining household decentralized operation with collective centralized operation; and second, vigorously develop various forms of service organizations based on peasants' cooperation, enhance the functions of relevant state organs serving agricultural production and the rural economy, and gradually establish a criss-crossing, mutually coordinated socialized services system.

III.

Developing socialized services is not merely an economic task. It also has a bearing on perfection of the rural superstructure. It is obviously advantageous to promoting construction of the basic level organizations and transforming the style of cadres. According to statistics, around 20 percent of village level organizations in China's rural areas cannot give full play to their role. Practice has proved that the basic level organizations have played a fine role in places where a good job has been done in socialized services; and the basic level organizations are not effective in the places where there are few or no services at all. Apart from a small number of problems of cadres abusing powers for personal gain, violation of law and discipline, and individual personality, most of the current contradictions between cadres and the masses in rural areas derive from the demand for money and grain. Some cadres said: In recent years, we went from door to door to ask the peasants for this or that. As a result, "we became familiar with the dogs (because of frequent visits) but became unfamiliar with the peasants (some are angry at the sight of cadres)." Naturally, some of the demands for money and grain are reasonable and some not. The contradictions are related to the system of leaning on urban areas, to some departments seeking unjust interests, and to a small number of peasants who have failed to correctly handle the relations between the state, collective, and individuals. Because the factors are complicated, we cannot indiscriminately blame the grass-roots level cadres. However, there is one point which should be clearly stated: Our cadres should transfer their energy from the "demand for money and grain" to serving the peasants and effect a drastic change in their style. "To obtain, you must first offer." The sequence of "obtain" and "offer" cannot be reversed, still less should we only obtain without offering. Some of our comrades are unconcerned about

the peasants' difficulties but, when it is time for collecting grain and money, they call on the peasants' households, resulting in the peasants' resentment. Conversely, if we had done a good job of socialized services and done our best to help the peasants overcome their difficulties, there would have been no reason whatsoever for the peasants not to support us. There was a cadre in Liaoning who was first "blamed by everyone" but later "commended by everyone." When he was asked to pass on his experience from being "blamed" to "commended," his reply was: "Service." This answer which derives from his personal experience has grasped the crucial question of transforming the style of rural cadres and improving the relations between cadres and the masses.

IV.

The development of socialized services is bound to involve the development of the collective economy. Rural areas in all parts of the country are now vigorously developing the collective economy. This is required by the stability and perfection of the system of contracted responsibility on a household basis with payment linked to output, the further development of rural productive forces, enhancement of the village organizations, and perfection of the rural superstructure.

Household operation, which introduced the cooperative economy and developed into the system of contracted responsibility on a household basis with payment linked to output, is an integrated structure. It actually includes the two layers of the collective centralized operation and household operation.

It is required by the further development of the rural productive forces to push forward the economy at the layer of the collective centralized operation. Its development is advantageous to the increase in accumulation from expanded reproduction, to application of advanced science and technology, to the development of farmland capital construction, to increasing the capacity to resist natural disasters, and to the running of public cultural and welfare undertakings. In a word, it can play a special role beyond the ability of household operation. In China, only when household operation is integrated with the collective centralized operation can we speed up the historical process of the commercialization, socialization, and modernization of agriculture. The development of the collective centralized operation has a bearing on the economic base as well as the superstructure. Only when the rural grass-roots level organizations have sound economic strength, offer services required by the peasants, and alleviate the burden of peasants, can they have great appeal and cohesive force.

On the premise of fully understanding the importance and urgency of developing collective centralized operation, it is necessary to solve the question of the collective economy developing along a normal path. Viewed from historic experience and lessons, as well as certain comments in society, the question to be prudently dealt with

is to correctly understand and handle the relations between developing collective centralized operations and perfecting the system of contracted responsibility on a household basis with payment linked to output. Whether the collective economy can develop healthily depends to a great extent on the correct handling of such relations.

The pattern of the collective economy characterized by "larger in size and higher degree of public ownership," a high degree of centralization, and "everyone eating from the same big pot", which prevailed in China's rural areas before reform, seriously dampened the enthusiasm of the peasants for production. Even when this is discussed today, the peasants still have lingering fears. Although the system of contracted responsibility on a household basis with payment linked to output, established in the course of reform, must be further perfected, the majority of the peasants are willing to accept it and do not want change. The change peasants fear today is mainly a change to this basic policy. While advocating the development of a collective economy, it is necessary to take this historical background into account. In propaganda and actual practice, we should take note of not regarding collective centralized operation as the collective economy and not setting it against the stability and perfection of the system of contracted responsibility on a household basis with payment linked to output. We should avoid the peasants getting the false impression that the prevailing system of contracted responsibility on a household basis with payment linked to output will have to give way to the collective economic pattern practiced before reform, resulting in a psychological shock disadvantageous to social stability and the peasants' enthusiasm.

In the course of China's rural reform, we established a two-layer system which integrated centralization with decentralization operation through implementation of the system of contracted responsibility on a household basis with payment linked to output and found a new operation form suited to the requirements of development and the level of productive forces. The strengthening of centralized operation refers mainly to offering services to the peasants rather than developing another pattern which has a higher degree of public ownership, or replacing household operation with collective centralized operation. It is not aimed at negating household operation. Instead, it is a fundamental measure to stabilize and perfect the system of contracted responsibility on a household basis with payment linked to output and to lay down conditions for further tapping the potential of household operations.

It should be particularly stressed that the collective economy should be expanded by relying on production development and its won self-accumulation. In the initial period, the local government and relevant departments, as the "first motive force," should support the economically underdeveloped areas in light of their own judgment. From a long-term and overall point of view

however, it is necessary to rely on production development and self-accumulation to increase the economic strength of the collective economy. The methods of egalitarianism and indiscriminate transfer of resources and a higher degree of public ownership must not be adopted to develop the collective economy. In the poverty-stricken villages, it should be emphatically pointed out that land and other means of production contracted to the peasant households should never be recalled for the purpose of "strengthening" the collective economy.

Some Problems Which Merit Attention

Many localities have now attached ideological importance to the establishment of a socialized services system and have gained some useful experience through practice. Meanwhile, they have also raised some problems which merit attention.

1. Because of the different level of productive forces and wide gap in economic strength and natural resources of various localities, it is necessary to adopt a vigorous attitude and steady steps in establishing and developing a socialized services system. We should deal with each case on its merits, suit measures to local conditions, and proceed from practice rather than impose uniformity, go headlong into mass action, or repeat the mistakes of egalitarianism and indiscriminate transfer of resources. In the places where the economic base is relatively weak, we should start from individual services which the peasants need badly and which can produce a great effect on production development to offering various services, and from offering services in the entire process of farming gradually to multi-functional comprehensive services which include production, science and technology, and circulation.

How should a socialized services system be established and perfected? Above all, it is necessary to make efforts to perfect the two-layer operation system which combines centralization with decentralization through developing socialized services: First, overcome difficulties in the system of contracted responsibility on a household basis with payment linked to output; second, in the process of supply and marketing, namely, economic behavior and operation, gradually increase the composition of socialized production; and third, in guiding ideology, the "service system" should be based on collective centralized operation. The development of such a socialized service system is tantamount to the expansion of the collective economy. When it develops to a certain extent, socialization, commercialization, modernization, and cooperative transformation of agricultural production will take shape.

2. It is necessary to arouse the initiative of the state, collective, and peasants to form multilevel socialized services networks. The rural cooperative economic organizations (including the collective economy), undoubtedly occupy a very important position in socialized services. However, besides the collective economy, the state and peasants also constitute part of the socialized

services network. Commerce, supply and marketing, transportation, banking, science and technology, and various flexible forms of associations, societies, service stations, and purchasing centers run by the peasants, should be brought into line with this network. As a result, the network, with state service departments providing backing, the collective economy as the main body, and nongovernmental service as subsidiary, takes shape rapidly, is extensively distributed, and can offer various services and promptly meet the various needs of the peasants. In the establishment and development of such a socialized services system, it is necessary to continue to uphold the policy of the coexistence of diverse economic sectors with the predominance of public ownership. Apart from vigorously developing the collective sector, it is necessary to encourage the normal development of the individual sector and protect legitimate operation of the private sector. It is necessary to develop the positive effect of the private sector and restrict its negative effect. The policy of coexistence of diverse economic sectors should be correctly implemented and individual and private operation should not be discriminated against. We should also pay attention to readjustment of the production structure, to arrangement for large amounts of labor, and utilization of surplus labor time. This will be of great significance to production development, economic prosperity, and social stability.

3. While offering services to the peasants, it is necessary to take note of the principles of voluntariness, low interests, and convenience. We should not force the peasants to accept services or be contaminated by the bureaucratic work style which may create inconvenience to the peasants. Still less should we cheat and benefit from the peasants under the excuse of offering services, thus turning a good thing into a bad one. In light of the principles of the law of value and exchange at equal value, it is correct for some departments and units to effect a change from being an administrative type to an economic one. It is possible and necessary to offer services on a remuneration basis. However, it this should be appropriate, taking the bearing capacity of the peasants into account. Under no circumstances should we forget the grand objective of "service." While offering services, various departments in Shandong's Zhucheng City put forward the slogan of "I advance along with agricultural development and share the rise and fall of agriculture," linking their own affairs with the rural economy. This served agriculture and also sought their own development. We should assimilate their experience.

4. Developing socialized services is a gradual process. "Gradual" refers to gradual development along the level of production as well as improvement in management ability and level. The development of socialized services and the establishment and perfection of a socialized service system constitute a system social project. As the conditions in various localities differ, we cannot expect all to be attained overnight with one single order. Hence, it is necessary to proceed from practice and never act

with undue haste, still less to stir up a wind. The purpose of reviewing history is to draw lessons. Because of impetuosity, many good things in China's economic construction turned into bad ones, incurring serious losses on the party's cause.

5. To develop socialized services, it is necessary to arouse the initiative of all fields, particularly the large numbers of peasants and the broad ranks of rural grass-roots cadres. How can the initiative of the masses be aroused? Above all, it is necessary to seek unity of thinking and deepen their understanding of the great significance of properly doing socialized services and stabilizing and perfecting the system of contracted responsibility on a household basis with payment linked to output, so that they can realize that the central task of deepening rural reform is to concentrate forces on developing socialized services and further stabilizing and perfecting the system of contracted responsibility on a household basis with payment linked to output. Moreover, it is necessary to show concern for their material interests economically and show concern for their democratic rights politically. While strengthening ideological and political work, it is necessary to earnestly implement the socialist principle of distribution according to work. Only by so doing can we fully arouse their initiative and make it last a long time. Comrade Deng Xiaoping said: "Ignorance of more pay for more work and material incentives may work among a small number of advanced elements but not among the broad masses. It may work for a while but not for long. Revolutionary spirit is valuable because without it there can be no revolutionary action. However, revolution came into being from the basis of material benefits. If we only stress sacrificial spirit at the expense of material incentives, it will be tantamount to idealism." It is wrong to ignore revolutionary spirit and put money above everything else. It is also wrong to ignore material incentives and the principle of distribution according to work. Of the mistakes we made in the past, an essential one was egalitarianism in distribution. Those doing more and those doing less, those fulfilling the job satisfactorily and those not, and those working and those not were paid equally. How could we arouse the initiative of the masses in this way? As developing socialized services constitutes a production and economic task, it will be impossible to attain better production and economic efficiency without the policy of distribution according to work.

6. The establishment of a socialized services system is a comprehensive measure for deepening rural reform. It should be carried out in coordination with other rural work, particularly the building of grass-roots units. The experience of Shandong's Laixi County in "building well the village level organizations with the party branch as the core, carrying out democratic building with self autonomy of the villagers as the foundation, and improving socialized services with the support of the collective economy" is worth drawing on in building village level organizations and deepening rural reform.

The relevant departments of the CPC Central Committee and State Council held a meeting not long ago in Laixi County to spread the experience.

A service system is a comprehensive, multi-functional concept. Generally speaking, it starts from single item services and gradually expands to various services in light of the needs of agricultural production development and scientific and technological progress. With the development of the rural economy, it starts from serving agricultural production and expands to multi-functional, comprehensive services for the entire process of farm production, eventually developing to serve the rural economic activities in an all-around way and becoming an organizer of the rural economy.

Over the years, some comrades have lacked understanding of the system of contracted responsibility on a household basis with payment linked to output. They are not aware of the extensive adaptability and great vitality of the system or its socialist nature. Hence, they have misgivings and doubts. They do not know how to deepen rural reform. Some people attempt to find a "new measure" other than the system of contracted responsibility on a household basis with payment linked to

output for the sake of deepening rural reform, leading rural reform in some localities into stagnation. It should be noted that the methods cannot be the same for laying stress on the development of socialized services and the collective economy with different starting points and guidelines. Hence, it is necessary to further seek unity of thinking, adhere to reform, and continue to advance. There will be no way out to retrogress. It is particularly necessary to watch out for restoration of the old structure and repetition of the past mistakes.

Historical practice in the decade-long rural reform indicates that the system of contracted responsibility on a household basis with payment linked to output has upheld the socialist orientation and aroused the enthusiasm of the vast numbers of peasants. It is a great innovation by millions upon millions of Chinese peasants under party leadership and a new development of the theory of Marxist agricultural cooperation in the practice in China. It is also the road leading China's rural reform to success. We should unswervingly deepen rural reform, stabilize the system of contracted responsibility on a household basis with payment linked to output, and make new contributions to the building of socialism with Chinese characteristics!

East Region

Anhui Provincial Plenum Adopts Resolution

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in Mandarin 1100 GMT 15 Jan 91

[“Resolution of the Third Plenum of the Fifth Anhui Provincial Party Committee on Implementing the Guidelines of the Seventh Plenum of the 13th CPC Central Committee”; from the “Provincial Hookup” program]

[Text] The Third Plenum of the Fifth Anhui Provincial Party Committee was held in Hefei from 10 to 14 January. The session earnestly relayed and studied the documents of the Seventh Plenum of the 13th CPC Central Committee, studied suggestions on ways to implement them, heard and deliberated a report by Comrade Fu Xishou on the economic situation and the current economic tasks and a report by Comrade Meng Fulin on the implementation of the decisions of the Sixth Plenum of the 13th CPC Central Committee and suggestions for work in the future, and approved the two reports in principle. The session also discussed and approved in principle a decision by the Anhui Provincial Party Committee and People's Government on enhancing the socialized service system for agriculture.

The session fully affirmed achievements scored by the province in reform, opening to the outside world, and modernization in the 1980's. Various provincial undertakings continued to develop steadily during 1990. The major targets of the Seventh Five-Year Plan have been completed successfully and the political, economic, and social life in both rural and urban areas have shown vigor and vitality. These hard-won achievements can be attributed to party members, cadres, and people across the province who, under the correct leadership of the CPC Central Committee, have earnestly implemented the basic line of the party and worked and struggled hard as one. We must cherish the progress we have made so far and make it the new starting point of our continued advancement. At the same time, we must face existing difficulties and problems.

The session held that the Seventh Plenum of the 13th CPC Central Committee was an important meeting that will usher in the coming decade and will arouse the whole party and the whole nation to work hard to attain second-step strategic objectives in socialist modernization. On the basis of a scientific summing-up of the experiences acquired since the Third Plenum of the 11th CPC Central Committee and a correct analysis of the situation at home and abroad and in accordance with the overall requirements of building socialism with Chinese characteristics, the “Proposals of the CPC Central Committee for the Drawing-up of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development” adopted at the plenum set forth the goals and basic tasks of as well as principles and policies for China's economic and social development

during the period of the Eighth Five-Year Plan and the coming decade and outlined arrangements and measures for deepening reform and opening wider to the outside world. The proposals are a program of action for attaining the second-step strategic objective.

The meeting participants unanimously supported the proposals of the CPC Central Committee and fully supported the important speech by Comrade Jiang Zemin and the explanation of draft proposals made by Comrade Li Peng.

The session held that earnest implementation of the guidelines of the Seventh Plenum is of great significance and far-reaching impact in overcoming existing temporary difficulties and striving for new victories in socialist modernization as well as on the long-term order and stability of society, the people's prosperity and happiness, and the consolidation and development of the socialist system. Party organizations across the province must implement the guidelines of the Seventh Plenum in an active and down-to-earth manner.

1. Do a good job in organizing relay, study, and propaganda and unify our thinking and actions in accordance with the guidelines of the Seventh Plenum. Party committees at all levels should convey and study the guidelines of the Seventh Plenum on a priority basis and in a well-planned and systematic way. Cadres with party membership at the county level or higher should earnestly study, before others, the proposals, the important speech made by Comrade Jiang Zemin, and the explanation of draft proposals given by Comrade Li Peng. The broad masses of party members should set aside some time to study the proposals and other relevant documents and publicize them to the broad masses of the people. We should, by way of study and propaganda, unify our thinking and actions in accordance with the guidelines of the Seventh Plenum so that all quarters across the province from top to bottom will implement the various tasks set forth by Seventh Plenum with one heart and one mind.

2. Formulate the province's 10-year program and Eighth Five-Year Plan in line with the guidelines of the seventh plenum. The program and plan should aim at achieving a sustained, stable, and coordinated development of the national economy and facilitating the comprehensive improvement of economic efficiency and the quality of the national economy as a whole.

We should suit measures to local conditions and provide guidance accordingly in developing industries and products that are competitive and with distinctive provincial features and promoting regional economies, each with its own distinctive characteristics. We should promote both material and spiritual civilizations hand in hand and closely integrate development with reform and opening to the outside world. We should pay attention to making specific measures dovetail with the development program and prevent actions from being divorced from the program. Leadership at all levels should go down to

lower levels to assess the situation and sum up experiences in a timely manner and provide specific guidance in the formulation of their 10-year programs and Eighth Five-Year Plans. All departments and units must draft work outlines and specific plans of their own units in line with the guidelines of the Seventh Plenum and organize efforts to earnestly carry them out.

3. Implement this year's work in a down-to-earth manner and make a good start in implementing the Eighth Five-Year Plan. This year is the first year of implementing the 10-year program and the Eighth Five-Year Plan. The tasks facing us are formidable. We must continue to make economic development our central task; implement the policy of improving the economic environment, straightening out the economic order, and deepening reform; stabilize and perfect the household contract responsibility system linking output to payment; establish and strengthen a socialized service system for agriculture; consolidate and develop the collective economy; build up basic agricultural infrastructure; formulate and implement an overall plan for education on scientific farming; carry out afforestation under the Eighth Five-Year Plan; actively develop village and township enterprises; and strive for steady development of agricultural production and the rural economy. Continued efforts should be made to deepen enterprise reform; enhance the vitality of enterprises, especially large and medium-sized state-owned enterprises; improve the internal management of enterprises and raise their quality; readjust the product and industry structures; strengthen basic industries and key project construction; accelerate the pace of technical innovations; and launch the activities of the Year of Quality, Variety, and Efficiency. We should further stimulate and expand the market, enliven circulation, stabilize commodity prices, open wider to the outside world in a more active and efficient manner, and strive to implement the strategy of developing the Wan Jiang area and opening it to the outside. While improving efficiency, we should try in every possible way to increase foreign exchange earnings through exports and actively utilize foreign funds. We should pay close attention to financial and banking work, increase income and decrease expenditure, and strive to strike a basic balance between revenue and expenditure this year. We should earnestly implement the basic policy that economic development must rely on science and technology and scientific and technological work must serve economic development, vigorously promote educational, scientific, technological, and cultural undertakings; and firmly implement family planning. We should continue to promote socialist spiritual civilization, develop socialist democracy and legal system, steadfastly oppose bourgeois liberalization, improve public order in a comprehensive manner, and further consolidate and develop the political situation of stability of unity.

4. Strengthen and improve party leadership in a down-to-earth manner. The key to the smooth implementation of the guidelines of the Seventh Plenum, the 10-year

program, and the Eighth Five-Year Plan lies in strengthening and improving party leadership. Great efforts are required to do well in party building. We should strengthen the party ideologically, theoretically, and organizationally and improve the party's work style. Particularly, we should strengthen leading party bodies at all levels as well as grass-roots party organizations and constantly enhance the rallying call and fighting power of party organizations. We should uphold the party's principle of democratic centralism; attach great importance to cherishing and safeguarding the party's unity, especially the unity of leadership nuclei at all levels; continue to implement the resolutions of the Sixth Plenum; maintain close flesh-and-blood ties with the masses; improve party work style and administrative ethics; make sustained efforts in combating all instances of corruption; and persistently correct tendencies in departments and trades.

We should continue to publicize operations and operations' results and depend on the masses' supervision, making constant reviews of experiences to improve administrative ethics. Party organizations at all levels should guide the broad masses of party members and people in firmly following the road of building socialism with Chinese characteristics; in firmly pushing forward reform and opening to the outside world; in firmly implementing the principle of developing the national economy in a sustained, stable and coordinated manner; in firmly following the principle of self-reliance, hard struggle, and building the country through thrift and diligence; and in firmly implementing the principle of promoting both material and spiritual civilizations. We should pluck up our spirits, enhance our confidence, work with one heart and one mind and in a down-to-earth manner, and strive for the fulfillment of the tasks set by the Seventh Plenum and the goals set in the 10-year program and the Eighth Five-Year Plan.

Anhui's Fu Xishou on Supervision Regulations

OW1801194791 Hefei ANHUI RIBAO in Chinese
7 Jan 91 pp 1, 3

[Text] of speech by Fu Xishou: "Let Us Earnestly Study, Publicize, and Implement the 'Regulations on Administrative Supervision of the PRC'"

[Text] The "Regulations on Administrative Supervision of the PRC" have been promulgated for implementation by the State Council. This is an important step taken by the government of our country to promote the development of legal systems as well as a basic guideline designed to further improve and perfect the system of administrative supervision in accordance with our Constitution. Their promulgation and implementation will exert important influence over efforts to ensure that supervisory organs perform their duties and exercise power independently, encourage administrative organizations at all levels to improve administrative management, promote in-depth development of the struggle against corruption as well as smooth progress of the

campaign to run a clean government, and guarantee and promote economic improvement and rectification, deepening reform, and socialist modernization. It is necessary for people's governments and supervisory organs at all levels to resolutely implement these regulations.

1. It Is Necessary To Earnestly Study the Regulations on Administrative Supervision in Order To Enhance Awareness of Running a Clean Government as Well as of Conscientiously Accepting Supervision

The promulgation and implementation of the regulations on administrative supervision raises new and higher requirements for not only administrative supervisory organs but also people's governments at all levels, all administrative departments, and the vast numbers of administrative personnel. It is necessary for all personnel in every administrative organ to earnestly study and be really familiar with the basic contents of these regulations. Principal responsible comrades of governments at all levels must, first of all, study these regulations well, while organizing the vast numbers of administrative personnel to study them in earnest. All departments and units must draw up specific study plans and conscientiously do a good job in organizing internal study programs. They must try to enhance the awareness of running clean government and accepting supervision through such study. It is necessary for the vast numbers of cadres in charge of supervision, in particular, to study the regulations on administrative supervision, further define the duties, tasks, authority, and working principles and procedures of supervisory organs, and foster the concept of conducting supervision in accordance with laws in order that supervisory organs may better accept supervision by the party, government, and the masses of people and that requirements for instituting a legal system governing the activities of administrative supervision may be met.

2. It Is Necessary To Make Vigorous Efforts To Publicize the Regulations on Administrative Supervision and Promote In-Depth Development of the Struggle Against Corruption and the Drive To Run a Clean Government

The regulations on administrative supervision are a new law and new regulations promulgated by the government of our country since the system of administrative supervision was restored and established in China. Vigorous efforts must be made to publicize them and whip up public opinion in their favor so as to create a favorable environment for their smooth implementation. It is necessary for all propaganda departments and press units to use propaganda and mass media, including radio and television as well as newspapers and periodicals to publicize regulations and their important meaning vigorously. Governments and supervisory organs at all levels must adopt various forms for vigorously publicizing, far and wide, the deeds of those advanced units and individuals that are honest in performing official duties as well as the achievements scored by supervisory organs in their efforts to promote the running of clean government and in their struggle against corruption.

Meanwhile, typical cases of heinous nature which cause comparatively grave repercussions must be duly exposed in coordination with efforts to publicize the regulations and enhance the effects of propaganda. We must work to make the process of publicizing the regulations one that encourages the vast numbers of cadres in administrative organs to enhance their consciousness of running clean government, abiding by laws, and observing discipline, promoting in-depth development of the struggle against corruption and the drive to run clean government in our province.

3. It Is Necessary To Conscientiously Do a Good Job in Implementing the Regulations on Administrative Supervision and Instituting a Legal System to Govern Administrative Management and Administrative Supervision

The regulations on administrative supervision are not only the basis and norms for administrative supervisory organs in carrying out various work but also extremely important administrative laws and rules for encouraging administrative organizations at all levels and their personnel to improve administrative management, supporting administrative organizations and their personnel in exercising their power as provided by law, and protecting their own legitimate rights and interests. Governments at all levels and all departments under them are required to give top priority to the work of the implementation of these regulations and to integrate the implementation of the "Regulations on Administrative Supervision" with that of the "Administrative Procedural Law." Administrative organizations at all levels must use existing administrative laws and regulations to standardize their own administrative behavior in order to ensure that administration is carried out in accordance with the law. Supervisory organs at all levels must resolutely implement these regulations and conduct supervision in accordance with the law so as to standardize and institute a legal system governing administrative supervision activities.

4. It Is Necessary To Further Strengthen Leadership Over Supervision Work and Give Full Play to the Functions and Role of Supervisory Organs

Since supervisory organs were restored in our province, they have achieved comparatively marked successes and played a positive role in conscientiously screening economic contracts signed with foreign firms, waging an in-depth struggle against corruption, carrying out various supervision in connection with the economic improvement and rectification campaign, stepping up efforts to promote development of a system that will ensure the running of clean government, earnestly implementing the "Circular" issued by the "Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security," sternly investigating and dealing with law-breaking and discipline-violating cases, and vigorously carrying out the tasks of rectifying unhealthy trends in trades and professions, improving

the "phenomena of unauthorized fee collection, imposition of fines, and apportionment," and so forth by centering all these efforts on the central task laid down by the party and government in various periods. As a result, comparatively good influences has been produced throughout society. It shows that governments at all levels in our province do attach importance to supervision work and give play to the important functions and role of supervisory organs. A few leading comrades in some localities, however, have failed to attach due importance to supervision work and have not exercised effective leadership. This kind of situation must be improved and solved in earnest. It is necessary for all areas and departments to conscientiously strengthen leadership over administrative supervision work and bring the functions and roles of these organs into full play. Vigorous support must be provided to supervisory organs, especially when they confront difficulties and hindrances in their work. To sum up, governments at all levels must show concern for and support supervision work and practically guarantee the supervisory organs' independent exercise of power in accordance with the law, so that they may fully carry out their supervisory functions and make new and greater contributions to political stability, economic development, and promotion of clean government in our province.

Anhui Areas Said To Contain Oil, Gas Resources

OW2201074791 Beijing XINHUA in English
0317 GMT 22 Jan 91

[Text] Beijing, January 22 (XINHUA)—Chinese geologists have discovered that most areas in Anhui Province, east China, contain oil and gas resources, CHINA GEOLOGY AND MINERAL RESOURCES newspaper reported.

Of Anhui's 139,000 square kilometers of land, 110,000 square kilometers are suitable for the formation of oil and gas resources.

The geologists have thus far discovered three small oil fields and four oil-bearing reservoirs, and have dug a well of carbon-dioxide gas in Tianchang Prefecture.

They have also conducted geological studies in a number of areas and collected geological data concerning oil and gas resources in different sedimentary bases in the province. This work will pave the way for future geological prospecting, the geologists said.

Zhangzhou Approves More Foreign-Funded Projects

OW1901192891 Beijing XINHUA in English
1455 GMT 19 Jan 91

[Text] Xiamen, January 19 (XINHUA)—Zhangzhou City, Fujian Province, approved 86 overseas-funded projects with a total investment of 45 million U.S. dollars in 1990.

Local officials said that these figures are 19.4 percent and 54.4 percent more than in 1989, and 70 percent of the projects were funded by Taiwan businesses.

So far, the city has approved 309 overseas-funded enterprises with a contractual investment of 136 million U.S. dollars. Among them, 190 have already gone into operation. Industrial output value produced by the joint ventures and co-operative enterprises account for 20 percent of Zhangzhou's total industrial output value.

Its agriculture is also developing satisfactorily. The city has set up fruit, aquatic products, vegetable, livestock, tea and edible fungus production centers and food processing centers for agricultural exports.

Local officials noted that Zhangzhou is the ancestral home of some 700,000 overseas Chinese and one-third of the 20 million compatriots on Taiwan.

The city government has decided to accelerate the development of 12 townships in Huangcheng District and Longhai County, which are near the Haicang Taiwan Investment Zone of Xiamen City. Dongshan Island will put stress on attracting Taiwan investment for the development of the agriculture.

Zhangzhou will also stress construction of harbor facilities and airport facilities.

At the same time, the city government will improve efficiency to improve services for overseas investors, local officials said.

Fujian Official Notes Increase in Visitors

OW2101061791 Beijing XINHUA in English
0532 GMT 21 Jan 91

[Text] Fuzhou, January 21 (XINHUA)—A total of 700,000 overseas visitors came to east China's Fujian Province in 1990, providing the province with 484 million yuan in foreign exchange certificates (96 million U.S. dollars).

These figures represent increases of 40 and 56 percent, respectively, over the figures of 1989, according to Nan Jiang, director of the provincial administration of tourism.

Among visitors, 360,000 were compatriots from Taiwan, who came to the province for business, tourism or calling on their relatives.

This year, the province will hold a variety of cultural festivals and symposiums, and open new travel lines to attract more visitors, director Nan said.

Shen Daren Chairs Meeting on Party Style

OW2001121391 Nanjing XINHUA RIBAO in Chinese
11 Jan 91 p 1

[Text] Comrade Shen Daren presided over the meeting of the Standing Committee of the Jiangsu Provincial

CPC Committee. Participants in the meeting studied the instructions of the CPC Central Committee on improving party style and on building a clean government, summarized and analyzed the situation in the whole province in 1990 on improving party style and on building a clean government, and laid down demands on this year's party style and clean government work.

Participants in the meeting held that in the past year all levels of party committees and government organs earnestly implemented the guidelines of the "Decision" of the Sixth Plenum of the 13th CPC Central Committee; concretely strengthened the work of improving party style and of building a clean government; concentrated efforts on solving some major problems for the masses; and improved further the relationship between the party and the masses and between the cadres and the masses. They also earnestly screened companies; dealt with the building of private houses by party and government cadres in violation of the law and breaching of discipline; made a large-scale check on "houses without occupants"; investigated into cases, particularly major and important cases, of violations of the law and breaching of discipline; and meted out punishment accordingly. As a result, the work of improving party style and building a clean government achieved marked results. We should clearly know, however, that many problems still exist. We should not overestimate the results. Instead, it is necessary to enhance our understanding of the long-term, arduous, and complex nature of this work.

The meeting proposed that it is necessary to follow the guidelines of the Sixth and Seventh Plenums of the 13th CPC Central Committee to continue the province's work of improving party style and building a clean government in 1991. The province will continuously implement the instructions of the CPC Central Committee on strengthening the work of party style and building a clean government, persist in paying equal attention to the building of spiritual and material civilizations, and ensure that the reform, opening to the outside world, and economic construction will advance continuously along the road of building socialism with Chinese characteristics. To that end, we should mainly do a good job in the following areas:

1. We should raise further our understanding of the importance of doing a good job in improving party style and in building a clean government. We also should have a correct guiding thought for our work. It is necessary for all levels of party organizations to strive to fulfill the objectives laid down at the Seventh Plenum of the 13th CPC Central Committee; enhance party political discipline; strengthen party, political, and legal discipline education; maintain party unity; and ensure that the whole party will be of one heart and mind and will take the same step to fulfill various tasks and objectives set by the CPC Central Committee. In improving party style and building a clean government, we must persist in serving the party's basic line; enthusiastically support and protect reform and opening to the outside world

around the central task of economic construction; correctly treat and handle new situations and new problems in reform, opening, and in the course of invigorating the economy; and help bring about the steady development of the reform, opening, and economic development.

2. We should take the actual situation of Jiangsu into consideration and earnestly do several concrete things. First, we should do a good job in carrying out the work of company screening to the end, handle the issue of party and government cadres building private houses in violation of the law and discipline, deal with unoccupied houses, induce individuals to repay funds owed to the state, and put a stop to the use of public funds to pay for the educational expenses of the sons and daughters of party and government cadres. Second, it is necessary to take a firm step to rectify the unhealthy tendency in various trades; deal with illegal collection of fees, fines, and other charges; give priority to rectify the unhealthy tendencies that exist at economic management departments, at supervisory and law enforcement departments, and at public institutions. Third, we should continue to stop and rectify housing irregularities. Fourth, we should firmly screen and correct the problems concerning party and government cadres who use their office to cheat and violate regulations and turn agricultural households into nonagricultural households. Fifth, we should continuously make earnest investigations into major and important cases; those who violate party and political discipline, no matter who they are, should be thoroughly investigated and strictly dealt with.

3. We should perfect the system and improve supervisory mechanisms. All levels of party organization should undertake the task of supervising party members to fulfill their duties and observe discipline. Leading cadres at or above county level should subject themselves to the supervision of the party organizations, party members, and the masses. It is necessary to consolidate and develop contacts with various democratic parties and other people's organizations and bring into play the effective supervisory role of party style supervisory personnel, party style contact personnel, and administrative supervisory personnel over party members and cadres. Newspapers and magazines, television, radio stations, and other press units also should give play to the supervisory role of the news media.

4. We should strengthen the building of discipline and law enforcement personnel. We should raise the theoretical, political, and professional quality among discipline and law enforcement personnel. Discipline and law enforcement organs and cadres should exercise strict self-control and observe the law and discipline exemplarily. They should often go to work among the masses, and extensively solicit opinions and suggestions from social circles in the area of party style and clean government. Party committees and governments at various levels should attach importance to building leading bodies at discipline and law enforcement organs and help them exercise investigative and supervisory functions.

5. All levels of party committees should strengthen leadership over the work of improving the party style and building a clean government. They must first of all have a correct understanding of and properly handle the relationship between party style, clean government, and economic construction. They should adhere to the policy of paying equal attention to the job of improving party style, building clean government, and to economic construction; they should resolutely overcome the tendency of a half-hearted approach in this matter. Party committees must put the work of improving party style and building a clean government high on the agenda. Leadership must be further strengthened. We should establish and perfect a responsibility system on improving party style and building a clean government. We should implement measures to improve party style and build a clean government in a down-to-earth manner. All levels of leading party and government organs and leading cadres should honestly perform their official duties and take the lead in setting good examples. Provincial-level organs in particular should set good examples.

Eight members of the standing committee of the provincial CPC committee attended the meeting. Responsible persons from the provincial advisory committee, provincial people's congress, party organization of the provincial Chinese People's Political Consultative Conference, and responsible comrades from relevant departments, attended the meeting as observers.

Jiangsu's 1990 Exports Rise Sharply

OW2001103791 Nanjing XINHUA RIBAO in Chinese
13 Jan 91 p 1

[By reporter Zhang Jianxi (1728 1696 3556)]

[Text] The new year has begun and good tidings have been received from the foreign trade departments of Jiangsu: The value of exports in 1990 reached \$2.97 billion, surpassing the quota of \$2.39 billion allotted by the state and the \$2.6 billion allotted by the province, resulting in a 21.7 percent increase compared with 1989. It was one of the highest growth periods since the establishment of foreign trade ports in Jiangsu in 1974.

In the past year, governments and departments at all levels in Jiangsu have paid great attention and given support to foreign trade. The provincial government has defined the development of foreign trade as a long-term strategy for Jiangsu's economic development. To ensure the fulfillment of contracted export assignments, Jiangsu implemented a plan for unified operation and offered incentives to foreign trade enterprises. From the beginning of the year, banking departments began to transfer and raise funds to help foreign trade enterprises solve difficulties caused by interlocking debts. Finance and foreign exchange control departments also periodically provided funds and foreign exchange to import raw materials which Jiangsu lacked and to import materials for the processing industry. Foreign trade departments supported the production of goods for export, improved

the quality and grade of products, and increased the capability to earn foreign exchange. They also alleviated the difficulties caused by the sluggish domestic market by offering industrial loans to foreign trade enterprises through export funds for light and textile products, releasing foreign exchange, and other economic means. At the same time, the foreign trade enterprises actively sought to open up international markets and expand sales.

In addition to increasing regular transactions through the mail, cables, and trade fairs, Jiangsu also held marketing exhibitions in Japan, Dubai, Kuwait, Germany, and Great Britain. It also organized 11 small trade teams to conduct marketing activities in New York. These were the foundation leading to the accomplishment of the export assignments. In the last two years, Jiangsu has encouraged foreign investors to establish export-oriented enterprises, implement a number of preferential policies, and has helped solve problems encountered in the course of export production. This has enabled foreign-invested enterprises to increase the volume of their exports rapidly, with the value of exports topping \$214.72 million in 1990, 1.4 times higher than the year before.

Shengli Oil Field Scores Prospecting Achievements

SK2101115891 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 19 Jan 91

[Summary] The Shengli Oil Field scored marked achievements in prospecting oil deposits in 1990. Through the prospecting operation in the shallow sea, about 30-square-km of oil deposits and more than 45 million tons of crude oil were discovered around the Chengdao Oil Field during the year. The Shengli Oil Field drilled eight new oil wells during the year. Of these, six were drilled around the Chengdao Oil Field. There, 76 oil and gas layers whose total thickness reaches 1.58 meters were discovered.

Shanghai Enterprises Upgrade With Foreign Funds

OW1901154191 Beijing XINHUA Domestic Service
in Chinese 2137 GMT 18 Jan 91

[By reporters Feng Yizhen (7458 0076 3791) and Chen Yani (7115 7161 1200)]

[Text] Shanghai, 19 Jan (XINHUA)—One prominent phenomenon appearing in Shanghai's industrial sector since the Seventh Five-Year Plan period began has been that an increasing number of enterprises are borrowing foreign funds to upgrade their technology. Not only has this broadened avenues for enterprises to obtain technology and capital, but it has also expedited their technological renovation and made them more capable of competing internationally.

Technological renovation is a gigantic project for Shanghai, which has more than 10,000 industrial enterprises, including more than 500 large and medium-sized

mainstay enterprises, but the capital available for technological renovation—especially the amount of foreign exchange needed for purchasing foreign technology and equipment—is quite limited. Thus, in an effort to help Shanghai catch up with industrial countries, and within the limits permitted by the state, the Shanghai Municipal Government has been encouraging large and medium-sized enterprises to borrow money from international banking institutions for technological renovation through local banks. By issuing securities and borrowing money from banking consortiums, the six local banks which maintain relations with foreign banks have raised more than \$1 billion for industrial renovation during the past five years. The money, which accounted for more than two-thirds of the foreign exchange spent on purchasing foreign technology and equipment during the Seventh Five-Year Plan period, effectively made up the shortage of capital needed for technological renovation.

Most of the foreign capital borrowed in such a way has been spent on purchasing key technology and equipment needed by the large and medium-size enterprises. Shanghai Steel Plant No. 3 is one of the three main producers of medium-thick steel plates. In 1987 the plant decided to raise 450 million yuan to install a production line that can produce 750,000 tonnes of medium-thick steel plates. The second-hand 4.2-meter rolling mill it purchased with the \$60 million loans from an international banking consortium has significantly expedited the plant's renovation. It is estimated that, when the rolling mill begin to operate in the third quarter this year, the plant will have China's largest and most advanced line of producing medium-thick steel plates badly needed by petroleum and shipbuilding industries and capital construction, and that the plant's sales and profit taxes will grow by about 60 percent.

In recent years, Shanghai has also spent foreign funds on purchasing the designs of large, 300,000-kw generating units and their manufacturing technology; and the technology and key equipment for manufacturing 45-degree and high-speed mills for rolling rod wires, large MD-82 transport planes, and Fiat tractors, substantially upgrading the technology of nearly 100 enterprises of more than 10 professions and trades.

Because of the high risks pertaining to the high interest rates of foreign capital, relevant departments in Shanghai have intensified their assessment and feasibility study of projects as well as their analysis and forecast of the international money market so as to minimize risks and put capital to more efficient use. According to statistics, Shanghai has spent nearly 30 percent of the foreign capital earmarked for technological renovation on purchasing technological softwares and spent 10 percent of the capital on purchasing useful second-hand equipment. In order to pay back the loans as quickly as possible, Shanghai gives priority to supporting those profitable projects that can earn foreign exchange. In 1987, the Shanghai Electric Iron Plant spent the overseas loans it borrowed through the Bank of China on purchasing the technology and equipment of

the 1980's from Japan's Matsushita Company for producing electric steam irons. In 1988, the plant's profits increased by 1 million yuan, promptly ending the plant's four-year decline in profits and enabling it to repay its debts.

Some industrial enterprises which borrow foreign funds to upgrade their technology have also learned international financial matters during the process, making them more capable of dealing with world market changes and handling foreign businesses. Manufacturers of meters and electronics components in Shanghai have spent nearly \$200 million to upgrade their technology of producing basic components and complete sets of equipment, and they have now replaced manual operation with microprocessing equipment that can automatically monitor operation. Consequently, the reliability of electronics components has made a quantum leap, and the export of complete machinery and components has grown substantially.

As the nation's largest and oldest industrial base, Shanghai still has many enterprises using old 1950's and 1960's equipment; these enterprises have a long way to go in upgrading their technology during the next five years. The issue of how to use foreign capital to upgrade Shanghai's industrial technology during the 1990's remains a major issue with which Shanghai's economic authorities and industrial sectors must grapple.

Shanghai Plans Accelerated Reforms

OW1901175091 Beijing XINHUA in English
1446 GMT 19 Jan 91

[Text] Shanghai, January 19 (XINHUA)—Shanghai, China's leading industrial and commercial center, will accelerate its reform of housing, enterprises, finance, foreign trade, food prices and social security, according to the municipal government.

The reform of the housing system is of great interest to its 10 million residents. As is the case in all other Chinese cities residential housing in Shanghai has been allotted to residents free of charge or at nominal rents since the founding of New China in 1949. The reform will pool the financial resources of individuals, enterprises and the state to accelerate house construction and eventually solve the chronic housing shortage.

In the restructuring of enterprises, the current contract operations will be maintained but the city will organize a large number of conglomerates based on existing big enterprises, local officials said.

The enterprises will continue to pioneer the shareholding system and more companies will raise funds by issuing stocks and bonds. In addition, the listed companies will allow overseas investors to convert bonds into shares or buy property.

The development of the Pudong area provides a momentum for further financial and foreign trade

reforms. The goal of financial restructuring is to establish a system participated in by the state bank, special banks, local banks and foreign banks.

In the reform of foreign trade, more manufacturing enterprises will be empowered to handle exports and imports.

As for the reform of food prices, the municipal government plans to cut subsidies to non-staple foods and food grains step by step.

The reform of the social security system will aim at setting up a mechanism financed by the state, collectives and individuals for assisting the unemployed, the old and the sick.

Shanghai Examines Halting Wanton Fees, Fines

*OW2001060791 Shanghai City Service in Mandarin
2300 GMT 18 Jan 91*

[From the "Morning News" program]

[Text] The Shanghai Municipal People's Government yesterday morning held a meeting on rectifying the situation of wanton collection of fees, wanton imposition of fines, and various apportionments of expenses. The meeting was designed to mobilize people in the whole municipality to carry out the decision of the party Central Committee and the State Council on resolutely stopping wanton collection of fees, wanton imposition of fines, and various wanton apportionments of expenses.

Vice Mayor Zhuang Xiaotian asked leading cadres at various levels and departments concerned to consider the work of stopping wanton collection of fees, wanton imposition of fines, and various wanton apportionments of expenses as an important aspect in implementing the policy of improving the economic environment and rectifying the economic order.

Vice Mayor Zhuang Xiaotian clearly pointed out that the work of stopping wanton collection of fees, wanton imposition of fines, and various wanton apportionments of expenses is not aimed at eliminating all fees, fines and fund raising. We must strictly handle cases of using funds collected without authorization for extravagant feasts and pleasure trips or distributing ill-gotten gains among some individuals. If such a situation is discovered, various units and people may use the telephone number 3232066 to contact the Office of the Municipal Leading Group for Rectifying Wanton Collection of Fees, Wanton Imposition of Fines, and Various Wanton Apportionments of Expenses.

Zhejiang Acting Governor on Economic Work

*OW1901122891 Hangzhou Zhejiang Provincial
Service in Mandarin 1000 GMT 18 Jan 91*

[Text] This reporter learned from the provincial foreign trade and export planning conference, which closed today, that Zhejiang's export trade registered sustained

considerable growth. Last year, our province earned \$2.259 billion in foreign exchange from exports, accounting for 121.7 percent of the annual plan and topping the previous year by 20.2 percent. Great progress was also made in the use of foreign capital as well as economic and technical cooperation with foreign countries. Last year, 294 new foreign-invested enterprises were approved, involving the use of \$130 million in foreign capital, and 68 overseas projects and labor service contracts were signed, amounting to \$22.77 million.

The meeting proposed that this year, the emphasis of foreign trade this year should be on further improving the quality of export commodities, readjusting export product mix, controlling the costs of export goods, and improving economic efficiency. The key export enterprises should act as the main body, and excellent brand name export products should take the lead in forming export enterprise groups that combine industry, trade, and technology. This will help exploit the collective superiority, and raise the competitiveness of our products in the world market.

Acting provincial Governor Ge Hongsheng attended the meeting and delivered an important speech. He fully affirmed and highly appraised the achievements made by the province in foreign economic relations and trade in the 10 years of reform and opening to the outside world.

Foreign-Funded Enterprises Flourish in Zhejiang

*OW1901192791 Beijing XINHUA in English
1512 GMT 19 Jan 91*

[Text] Hangzhou, January 19 (XINHUA)—Foreign-funded enterprises increased in number and size of output in east China's Zhejiang Province last year.

According to statistics released by the provincial foreign economic relations and trade bureau, in 1990, the province granted licenses to 294 foreign-funded enterprises, with a contracted foreign investment of 133.13 million U.S. dollars.

To date, the total number of foreign-funded enterprises in the province has grown to 785, with a total contracted foreign investment of 500 million U.S. dollars.

Sources at the bureau stated that most of the foreign-funded enterprises have proved to be successful.

Statistics show that businessmen from Taiwan Province have been particularly active in setting up enterprises in Zhejiang, having set up 111 with a total investment of 56.68 million U.S. dollars.

Foreign-funded enterprises produced more export commodities last year than in any previous year. In 1989 their exports accounted for 3.5 percent of the province's total, while in 1990 they rose to 6.6 percent.

Central-South Region

Guangdong Province Reclaims Barren Land

OW1801134991 Beijing XINHUA in English
1258 GMT 18 Jan 91

[Text] Guangzhou, January 18 (XINHUA)—South China's Guangdong Province has achieved satisfactory results in reclaiming barren mountains and other types of waste land during the past five years.

Since 1985 the province has afforested 3.38 million ha of land, planted fruit trees on 413,000 ha and opened up 60,000 ha of polder areas for farming and fish raising.

More than 5,000 agricultural production bases have been built based on the reclaimed land.

The reclamation has helped promote agricultural production in the province. Last year the total output of fruit was 3.14 million tons, and of aquatic products, two million tons—respectively 2.7 times and double the figures five years ago.

Guangdong's exports of agricultural products came to 1.8 billion U.S. dollars-worth in 1989, some 22 percent of the province's total export volume.

Guangdong has also introduced more than 200 new varieties of aquatic products, vegetables, poultry, flowers and fruit to promote its exports of agricultural products.

Guangdong Earns Record Income From Tourism

OW2201180291 Beijing XINHUA in English
1523 GMT 22 Jan 91

[Text] Guangzhou, January 22 (XINHUA)—Guangdong earned a record income of 640 million U.S. dollars last year from its tourism industry, up 19.8 percent over 1989.

Huang Ji, director of the Guangdong Tourism Bureau, reported today that last year Guangdong received over 5.18 million overseas tourists.

While the figure represents an increase of 32.1 percent over 1989, it is 2.2 percent lower than the figure for 1988.

However, the official said that over 553,800 tourists from foreign countries and regions—other than tourists from Hong Kong, Taiwan, Macao—visited the province in 1990. This number represented an increase of 27.3 percent over 1989 and an 84.2 percent increase over 1988.

In 1990, the province initiated 20 new tourism programs, and constructed or repaired 59 scenic spots.

Shenzhen Issues First Foreign Currency Bonds

HK2101020391 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST)
in English 21 Jan 91 p 9

[By Geoff Crothall]

[Text] Shenzhen has done it again.

Not only did the go-ahead special economic zone start trading on its new stock exchange two weeks before the grand opening of the Shanghai Securities Exchange last month, a Shenzhen firm has now issued the People's Republic's first ever foreign currency denominated bonds—well before Shanghai has managed to finalise its regulations on hard currency securities.

Shenzhen United, a nonferrous metals trading corporation, last week began selling U.S. \$8 million commercial bonds denominated in U.S. and Hong Kong dollars to institutional buyers and private investors in the special economic zone.

The bonds, on sale at the Shenzhen branches of Banque Indoseuz and the Industrial and Commercial Bank of China, would be available to foreign companies and individuals, a company spokesman said.

The U.S. dollar bonds, sold in U.S. \$500 denominations, carry an annual interest rate of 7.8 per cent, while the Hong Kong dollar bonds, in HK\$1,000 denominations, offer a slightly higher rate of 8.9 per cent.

Shanghai, which is notorious for its slow-moving bureaucracy, is still debating how exactly to deal in foreign currency securities and the regulations are not expected to be issued until the Chinese New Year, starting on February 15.

Despite the fact that Shanghai has been officially told to go first in China's great stock market experiment, Shenzhen has persistently beaten the giant industrial city to the punch and has usually not bothered to obtain official permission from the central government in Beijing before doing so.

Trading opened on Shenzhen's new centralised exchange, located on the 15th floor of the Shenzhen International Trust and Investment Corp building, early in December—even though the bourse had not yet obtained official approval from the People's Bank of China and despite there being no indication that Shenzhen United had received Beijing's blessing for its bond issue.

While Shanghai tends to do things by the book, with economic programmes being passed between different departments and levels of government, Shenzhen just goes ahead and puts them into effect.

The age-old adage that "the sky is high and the emperor far away" is still evidently at work in Shenzhen.

Quite what Shanghai's reaction to its truculent southern rival may be, is difficult to gauge.

While some local government officials admit in private to being distinctly annoyed at being constantly preempted, in public they simply dismiss the antics of the Shenzhen government as an irrelevance.

As one analysts put it: "Shanghai has been given face by the great fanfare accompanying the opening of the exchange there so they can still gloat in public.

"And by giving Shenzhen a certain amount of licence to do its own thing, a compromise acceptable to all sides has been reached."

Meanwhile, Guangzhou has announced it is to set up an imported materials market for foreign-funded firms in June in a bid to overcome shortages, the CHINA DAILY reported on Friday.

Materials would be duty-free if used in exported manufactured goods, vice mayor Lei Yu said.

The market, to be run jointly by the southern Chinese city and the Ministry of Material and Equipment Supply, "aims at supplying more convenient service for foreign-funded firms in the area and in neighbouring provinces," Mr. Lei said.

Raw material and energy shortages constantly hamper foreign manufacturers in China's prosperous south.

NPC People's Deputies End Inspections in Guangxi

*OW1901154591 Beijing Domestic Service
in Mandarin 0800 GMT 18 Jan 91*

[Text] According to a XINHUA News Agency report, an eight-member group of deputies of the Hong Kong-Macao area to the Seventh National People's Congress [NPC] yesterday concluded a one-week inspection tour in the Guangxi Zhuang Autonomous Region.

The first Hong Kong-Macao NPC people's deputies to inspect Guangxi arrived in the autonomous region on 9 January. Since then, they have visited factories, shops, prisons, Sino-Vietnamese border trading posts, and other places to understand Guangxi's political, economic, and cultural development as well as industrial and agricultural production.

After their inspection tour, the deputies are of the view that Guangxi, located in the border defense region, has made contributions to the national stability and security. In the future, Guangxi should speed up the pace of reform and opening to the outside world, borrow the experiences of other cities, and step up overseas propaganda to attract more foreign investors.

Officials Foresee Growth Rate in Hainan Economy

*HK2301034491 Beijing CHINA DAILY in English
23 Jan 91 p 1*

[By staff reporter Zhu Xieli]

[Text] Haikou—Projections made by officials in Hainan, the largest special economic zone in China, indicate that the island's economy will develop at an average annual growth rate of 13 percent in the last decade of this century—more than double the six percent average growth rate expected for the nation.

This, according to Hainan Governor Liu Jianfeng, will "lay a solid foundation" for the economic take-off of China's youngest province.

The provincial government is currently drafting its development schemes for the next five-10 years, which will be submitted to the local people's Congress for approval in March.

The plans will enable this economically backward province to catch up with the advanced level of the country's developed regions by the turn of the century, said the 54-year-old governor in an exclusive interview with CHINA DAILY yesterday.

Hainan's total industrial and agricultural output is expected to be valued at 11.5 billion yuan in 1995 and 19.5 billion yuan in the year 2000 (both at 1980 constant prices).

Last year, Hainan was expected to have a total industrial and agricultural output value of 5.6 billion yuan, about 23 percent more than in 1987.

Despite the double-digit economic growth rate since the province was established in 1988 and the rich natural resources in this tropical paradise, hainan remains one of the economically weak and backward provinces in the country.

The government's investment to this frontline island in the South China Sea had been relatively small as compared with other parts of the country in the past four decades. Between 1949 and 1982, the total capital investment in the island was only 5 billion yuan. That much has now been invested in just the past three years.

The governor said, historically, Hainan has been mainly an agricultural area. And about one-sixth of the province's 6.6 million population are minority nationalities who are poorly educated and still depend on primitive methods in agricultural production. The central authorities charted Hainan as mainly relying on overseas investment to become another economic miracle similar to Shenzhen Special Economic Zone in neighbouring Guangdong Province. Hainan was granted SEZ status and favourable investment policies in 1987.

Governor Liu said his government has worked out a strategy that "may pave the way for the province to match the newly developed countries in Southeast Asia" early next century.

To carry out the strategy, the province plans to raise a total of 20 billion yuan (\$3.85 billion) in the coming five years for construction projects. Nearly half of the money will be foreign investment.

Liu said most of the investment will go into infrastructure construction and basic industries. The projects include several deep-water ports, an international airport, an express highway, telecommunication facilities, steel plants, building material factories and petrochemical complexes.

While continuing to develop its designated five economic areas along the coast, the government is also determined to carry out its plan to lease large pieces of land for foreign developers.

The province has planned to be self-sufficient in grain supply within next three to five years, ending the present situation in which it has to import about 400,000 tons of rice from other parts of the country every year.

Liu said his government has decided to help 800,000 poor farmers in the province to get out of poverty by 1995.

In order to develop a sound market mechanism and attract more foreign investment, Liu said his government will carry out a set of reforms this year to gradually establish a new economic system in which foreign investors can run their businesses according to international norms.

Hainan To Open Wider to Outside World in 1991

*OW1901175191 Beijing XINHUA in English
1424 GMT 19 Jan 91*

[Text] Haikou, January 19 (XINHUA)—Hainan, an island province in south China, will open wider to the rest of the world in 1991, a senior provincial party official announced today.

The province will expand economic co-operation with Thailand and Hong Kong and build up links with Singapore and Malaysia, said Deng Hongxun, secretary of the Hainan Provincial Committee of the Communist Party of China (CPC), at an enlarged provincial party committee conference held here today.

Deng called for new sources of funds and better use of loans provided by foreign governments and financial consortiums.

Efforts will be made to speed up the construction of economic development zones in Haikou and Sanya cities, Deng said.

This year the province will shape an new economic system based on market regulation, with open markets

dealing with means of production, farm produce, technology and information. In addition, management of finance, bond and real estate markets and exchange of technical personnel will be improved, Deng said.

He said the province welcomes foreign banks to open offices in the province and is making preparations for the establishment of a securities market.

Guan Guangfu Attends Women's Federation Forum

*HK1801144391 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 17 Jan 91*

[Text] Yesterday afternoon, the provincial Women's Federation held a forum which was attended by woman cadres.

All the 50 woman cadres who had undergone first-phase training in the provincial party school and were to graduate soon attended the forum. They spoke glowingly of their impressions of the training they had received and put forward a number of suggestions and demands on women's organizations throughout the province.

Provincial leaders, including Guan Guangfu, Guo Shuyan, Qian Yunlu, Ding Fengying, Lin Shaonan, and others, also attended the forum and met with all the participants.

Provincial Party Committee Secretary Guan Guangfu delivered a speech.

The 50 woman cadres who had undergone training in the provincial party school came from all walks of life across the province. During their discussions at the forum, they expressed the hope that the provincial Women's Federation and women's organizations throughout the province will strengthen training among woman cadres and help woman cadres improve their quality and dispel their misgivings.

In his speech, provincial party committee Secretary Guan Guangfu extended congratulations to all the woman cadres who had successfully completed their training course. He said: The provincial party committee has devoted greater energies to the training of woman cadres over the past few years. Now, in every county, on average, there is one woman cadre holding a county-level party or government leadership post.

Guan Guangfu called on all women cadres who had undergone training to apply the theories they had learned to practice so as to play a more important role in fulfilling all the tasks put forth by the 10-year national economic and social development plan.

Hunan Officials Criticize Work on Peasant Burdens

*OW2101161791 Beijing XINHUA Domestic Service
in Chinese 0356 GMT 21 Jan 91*

[By XINHUA reporter Yu Leiyan (0060 4320 3543) and HUNAN RIBAO reporter Cao Zhongxue (2580 0112 1331)]

[Text] Changsha, 21 Jan (XINHUA)—Recently, the Hunan provincial governor and two vice governors sternly criticized some units for persisting in old ways of doing things and adopting an irresponsible attitude on easing peasants' burdens. They urged governments at all levels to break free of the small circle of departmental interests, to establish credibility among the people, and to lift unreasonable burdens imposed on peasants.

Since the document on easing peasants' burdens was issued by the party Central Committee and State Council, authorities at the provincial, prefectural, and county levels in Hunan had thoroughly reviewed documents concerning peasants' burdens. Some localities and departments, based on results of their review, took corrective action. However, viewed from the general situation in the province, peasants' burdens have not really been eased. As a matter of fact, investigations of some representative cases have revealed that peasants' burdens in some localities have increased.

Around New Year's Day, Governor Chen Bangzhu, Vice Governors Dong Zhiwen and Zhuo Kangning, and leaders of some concerned departments conducted investigations and studies of peasants' burdens in grass-roots units and gathered a large amount of information. Their findings surprised many people. At a provincial on-the-spot meeting to exchange experiences in easing peasants' burdens held in Yueyang City in mid-January, the governor and two vice governors strongly criticized some government departments for hampering efforts to reduce peasants' burdens. Dong Zhiwen, executive vice governor of Hunan, said: The findings of my recent investigations have caused indignation among the people. Some organs directly under the provincial authorities tried to cheat in clearing up past documents concerning peasants' burdens. Some organs, while clearing up old documents, even issued new documents which increased peasants' burdens, trying to impose apportioned fees on peasants. Vice Governor Kang Zhuoning pointed out: Some comrades working in grass-roots units are afraid that easing peasants' burdens on the one hand might offend some powerful material supply departments and, on the other hand, might affect their own interests. Therefore, they dare not convey truthfully to the masses the central and provincial authorities' guidelines regarding easing peasants' burdens. As a result, some regulations and bulletins that should have been announced to the masses long ago and that allow the masses to oversee government organs are still locked in the files of some district and township governments.

At the meeting, Chen Bangzhu, deputy secretary of the Hunan Provincial CPC Committee and governor of Hunan, strongly urged organs directly under the provincial authorities to set a good example in easing peasants' burdens. He said: All kinds of fees to be collected from peasants are to be announced. Fees that should be eliminated must be eliminated, and those that should be reduced must be reduced. Departments concerned must

not do things sneakily or pretend to abide by regulations while violating them on the sly.

Southwest Region

Liu Zhengwei at Party Style, Discipline Meeting

HK2301034591 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT, 18 Jan 91

[Excerpts] The provincial meeting on party style and discipline, and building a clean and honest government administration ended yesterday [18 January] afternoon in Guiyang. Liu Hanzhen, member of the provincial CPC Committee Standing Committee and secretary of the provincial Discipline Inspection Commission, presided over the meeting. Provincial party, government, and military leaders Liu Zhengwei, Wang Chaowen, Su Gang, Zhang Yuhuan, Miao Chunting, Long Zhiyi, Zhu Ti, He Renzhong, Zhang Shukui, and others attended the meeting. On the basis of discussing the implementation of the spirit of the 13th CPC Central Committee Seventh Plenum, the meeting reviewed the work of promoting party style and discipline and the building of clean and honest government administration in the province over the past year, exchanged experiences, and defined the tasks of party style and discipline, building a clean and honest government administration, and discipline inspection.

Entrusted by the provincial CPC Committee Standing Committee, Long Zhiyi, deputy provincial party secretary, addressed the meeting. [indistinct sentences] [passage omitted]

He stressed: Main party and government responsible comrades must truly do well in promoting party style and discipline, and building a clean and honest government administration in leading bodies above county level, and organs under their direct leadership. Party and government organs, including the provincial CPC Committee Standing Committee, must set strict demands on themselves, and set a good example to promote a clean and honest work style for main party-member leaders, and working personnel in their organs to make new contributions to promoting the development of economic construction, and overall social progress in our province.

At the meeting, provincial party, government and military leaders also presented prizes to representatives of 30 advanced discipline inspection organizations, and 70 outstanding discipline inspection cadres.

State Helps Guizhou Develop Agriculture

OW2001135791 Beijing XINHUA in English
1215 GMT 20 Jan 91

[Text] Guiyang, January 20 (XINHUA)—The state earmarked 270 million yuan for agricultural projects in Guizhou Province, one of the poorest regions in China, during the 1990-1992 period.

Guizhou, in southwest China, has a population of 32 million, of which ethnic minorities account for 30 percent.

The mountainous province has made great progress in economic development since 1979. But due to historical reasons and as a basis, many people in remote areas remain poor.

Last year the state approved the listing of 15 counties in six prefectures as areas for the comprehensive development of agricultural projects.

The funds are being used to improve more than 67,000 ha of low-yielding land, afforest an area of 60,000 ha and improve 1,300 ha of grassland.

With completion of the current projects by 1993, the province will increase a production capacity of 200 million kilograms of grain, 43 million kilograms of rape seeds and 22.9 million kilograms of meat.

World Bank Says Guizhou Land Project Successful

OW1801203991 Beijing XINHUA in English
1527 GMT 18 Jan 91

[Text] Guiyang, January 18 (XINHUA)—Following a three day on-the-spot investigation, a World Bank official expressed his satisfaction with the land system experiment the World Bank financed in Meitan County of southwest China's Guizhou Province.

John W. Bruce, a land system expert from the World Bank, told Guizhou officials on Thursday that the land system experiment in Meitan was quite successful and impressive.

Meitan is one of China's earliest rural reform experimental zones to be funded by the World Bank. In 1988, the World Bank provided the country with a 300 million U.S. dollar loan to be used in its rural policy readjustment. Meitan received five million yuan in an on-lent loan.

The land system experiment in Meitan has involved the following measures:

—The collective ownership of land is reaffirmed. The village cooperative economic organization represents the collective in matters related to the ownership of land, right of land use, and management. A payment system for the use of the land was established to guarantee the collective a profit from its land ownership. Farmers enjoy the right to use the land according to contract conditions. During the term of the contract, the right to use the land is inheritable and transferable.

—During the term of the land contract, land quotas will not be changed to accommodate increases in population. This measure is revolutionary as the old practice suggested that land distribution should be conducted on the basis of population, which, as a result, stimulated population growth.

—Under the prerequisite of maintaining an ecological balance, non-cropland resources are developed. For example, idle mountains are turned into tea plantations, orchards, mulberry fields or grasslands. These plots of land can meet the needs of the permitted population growth.

As a direct result of the above measures, cropland has been protected from continual fractionalization. Previously, contracted cropland experienced repeated readjustments due to population growth, and thus became increasingly fragmented.

The measures also help promote soil fertility. Since land ownership and use is effectively separated, the family contract responsibility system is able to provide a sense of security for farmers, who in turn, increase the input in the land.

Sichuan Vice Governor on 7th Plenum Spirit

HK2301025991 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 18 Jan 91

[Text] At a report work meeting on outstanding entrepreneurs held yesterday, Vice Provincial Governor Pu Haiqing pointed out: We must conscientiously implement the spirit of the Seventh Plenum of the 13th CPC Central Committee, and the spirit of the Eighth Enlarged Plenum of the Fifth Provincial CPC Committee. With a lofty sense of historical responsibility and a sense of urgency of our times, we must conscientiously promote our province's economic construction.

After listening to reports by some outstanding entrepreneurs, Pu Haiqing said: The Eighth Enlarged Plenum of the Fifth Provincial CPC Committee clearly pointed out we must strengthen and improve the party leadership over economic work. Party committees at all levels must persist in proceeding from reality to actively and creatively implement the guiding principle and policies of the central authorities. We must develop social productive forces by every possible means.

Pu Haiqing continued: Various localities and departments must think more of taking economic construction as a center, and strengthen their ideological concepts on reform and opening up [words indistinct]. Various responsible departments and economic management departments must solidly foster an idea of serving production, grass-roots levels, enterprises, and the masses. Work in the realm of the superstructure must also take the development of social productive forces as their fundamental starting point. They must integrate the work of strengthening party building and ideological and political work with the principle of taking economic work as a center to ensure the fulfillment of the target of economic construction.

Sichuan Experts Discuss 7th Plenum Spirit

*HK2301032191 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 19 Jan 91*

[Excerpts] A forum jointly sponsored by the Sichuan Provincial Scientific and Technological Consultative Committee, provincial CPC Committee Organization Department, provincial Personnel Department, and provincial Scientific and Technological Commission for some noted experts in the province to study the spirit of the Seventh Plenum was held in Chengdu today [19 January]. Leading comrades from provincial CPC Committee, People's Congress, and CPPCC Li Boyong, Song Baorui, He Haoju, Xie Shijie, Xu Yuting, Ma Lin, Xin Wen, and others, and more than 70 noted experts in Chengdu attended the forum.

At the beginning of the meeting, provincial party Vice Secretary Li Boyong relayed the spirit of the 13th CPC Central Committee's Seventh Plenum. After that, Vice Governor Ma Li briefed participants on our province's economic and social development, and our basic ideas on the 10-year program and the Eighth Five-Year Plan. He said: The 10-year period from 1991 to 2000 is a crucial decade in which we must firmly and unswervingly persist in the party's basic line, emancipate our thinking, deepen the reform, expand opening up, strengthen science and technology, readjust structure, enhance efficiency, and promote coordinated development. We must concentrate our energy on promoting our economy to fully attain our strategic targets and tasks of achieving a well-off level, laying a solid foundation, and promoting development. [passage omitted]

In their speeches, some noted experts repeatedly urged the full use of our province's scientific and technological strong points to develop our provincial economy, readjust our production setups, and do well the work of attracting and stabilizing scientific and technological force in our province, so that the principle of relying on science and technology to develop productive forces can be truly pursued in various units and departments.

Sichuan Succeeds in Curbing Population Growth

*HK2201050191 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 20 Jan 91*

[Text] During the Seventh Five-Year Plan period, governments and family planning departments at all levels in our province resolutely implemented the family planning regulations adopted by the provincial people's congress, stabilized childbirth policies, and strengthened family planning work. As a result, our province succeeded in effectively curbing population growth.

According to a recent census, our provincial population now stands at more than 108 million. The proportion of our provincial population to China's total population has dropped from 9.9 percent in 1982 to 9.4 percent at present. In terms of natural population growth rate, our province now ranks the sixth among 29 provinces, municipalities, and autonomous regions in the country.

The responsible person of the provincial family planning commission pointed out: Our province has a big population base with a large proportion in the agricultural sector. Our province is expected to enter another childbirth peak period during the Eighth Five-Year Plan period so that the number of people of birthing age is bound to increase significantly during this period. Therefore, it is not at all easy to attain the goal assigned by the state of keeping our provincial annual population growth at and below 1.5 million. We are still facing a rigorous situation in this regard.

Tibet Seeks Nonparty Views on 5-, 10-Year Plans

*OW2301102791 Lhasa Tibet Television Network
in Mandarin 1300 GMT 22 Jan 91*

[By station reporters Gesan Danzim and Jiang Li; from the "Tibet News" program]

[Text] Prior to the opening of the Second Expanded Plenum of the Fourth CPC Tibetan Autonomous Regional Committee, the autonomous regional party committee held a meeting with nonparty people to solicit their opinions on the region's program for the next decade and the Eighth Five-Year Plan. Gyaincain Norbu, deputy secretary of the autonomous regional party committee, presided over the meeting, which over 60 people attended. They included Pagbalha Geleg Namgyai, Sengqen Lozong Gyaincain, Jangzhong Zhaxi Doje, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Tangmai Gongjue Baimu, Gonbasar Tubdanjigzha, Qaba Gaisang Wangdui, Duoizha Renzengqinmo, and patriotic nonparty people from ethnic, religious, educational, and medical communities in the autonomous region and Lhasa City. Also attending the meeting were leaders from relevant departments, such as Zheng Ying, Zeren Sangzhu, and Xiang Yang.

Nonparty people, including Lhalu Cewang Doje, Sengqen Lozong Gyaincain, Qaba Gaisang Wangdui, and Gonbasar Tubdanjigzha, spoke at the meeting. They made many suggestions on further consolidating and safeguarding political stability and unity; quickening the pace of achieving prosperity for the people; improving the people's quality through education; strengthening the rule of law; remedying unhealthy trends in various trades and departments; studying, using, and developing the Tibetan language; and protecting the ecological balance.

Speaking at the meeting, Gyaincain Norbu, deputy secretary of the autonomous regional party committee, said: The next decade is extremely crucial for our region to consolidate and develop political stability and unity, to energetically promote economic development and social progress, and to build a new socialist Tibet marked by unity, prosperity, and civility. We are holding this meeting of patriotic people to seek their opinions on our region's 10-year program for economic and social development and Eighth Five-Year Plan. Many good suggestions have been made earnestly and responsibly. This fully demonstrates the spirit of cooperation and political

consultation between our party and nonparty people. We should conscientiously implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the autonomous region's Fourth Party Congress, solidify and develop political stability and unity, seize opportunities, and concentrate on improving the economy.

Tibet Has Rapid Economic Development in 7th Plan

OW1901155591 Beijing XINHUA Domestic Service in Chinese 0448 GMT 19 Jan 91

[By reporter Cheng Honggen (4453 4767 2704)]

[Text] Lhasa, 19 Jan (XINHUA)—The economic strength of Tibet has been boosted tremendously by efforts in carrying out the reform and open policy during the period of the "Seventh Five-Year Plan." In particular, important progress was made in the construction of such basic industries as agriculture, energy, transportation, and communications.

According to preliminary statistics, the gross national product and the national income of the whole region reached 2,217 million yuan and 1,635 million yuan respectively in 1990, posting a growth rate of 25.1 percent and 29.97 percent respectively over those of 1985. The gross national product grew at an annual rate of 4.6 percent on the average, while the national income grew at an annual rate of 6.3 percent on the average, over the past five years. The gross industrial and agricultural output value of the whole region increased 21.5 percent from 1985 to reach 1,024 million yuan in 1990, posting an average annual growth rate of 4 percent. The per capita income of peasants and herdsmen increased 13.97 percent from 1985 to reach 415 yuan in 1990.

The agriculture sector enjoyed bumper harvests in its production for three years in a row, thus ending a long period of stagnation. The accumulative total output of grain during the past five years increased 7.8 percent from that of the period of the "Sixth Five-Year Plan" to reach 2,508,000 tonnes, while that of meat saw an increase of 35.4 percent to reach 427,000 tonnes. Diversification of the rural economy and the village and town enterprises also enjoyed development to varying degrees. Marked progress was made in the preparatory work for the initial phase of the project to promote comprehensive agricultural development in the river valleys of the "one jiang and two he's" (the three major rivers of Yarlung Zangbo Jiang, Lhasa He, and Nianchu He); preparations for some projects were completed; and some projects progressed to the construction phase.

The gross industrial output value of the whole region increased from 174 million yuan in 1985 to 235 million yuan in 1990. The mining industry, the light textile industry, and the minority nationalities' handicraft industry enjoyed rapid development. A number of light textile enterprises improved their production conditions and the quality of their products through technical

transformation, resulting in a marked increase in economic returns. Efforts were made to keep promoting construction of the infrastructures of energy, transportation, and communications, thereby boosting new production capacity. A total amount of 2,436 million yuan were invested in fixed assets under ownership by the whole people and additional fixed assets worth total 1,918 million yuan were produced during the period of the "Seventh Five-Year Plan." The installed capacity of electric power increased by an additional 54,600 kilowatts; additional asphalt roads with an overall length of 157 km were built; ground communications stations via satellite linking Lhasa with six prefectures were installed, thus setting up a key satellite communications network with Lhasa as the center and realizing modernization of a portion of communications means. In addition, constructions of a batch of key projects are in full swing.

Trade and economic and cultural exchanges with foreign countries kept expanding during the period of the five years. The total import and export trade volume of the whole region reached \$120 million, and foreign exchange generated from exports doubled in the past five years. Meanwhile, new achievements were scored in economic and technical cooperation and cultural exchanges with foreign countries. Tibet received a total of 10 international aid projects and \$21.6 million's worth of funds in the sectors of agriculture, energy, education, public health, and protection of nature over the past five years. Tibet earned revenues of 225 million yuan from the 108,000 tourists that visited it in the past 5 years.

Beginning in 1988, the Tibet Autonomous Region rid itself of its local financial deficit, which had been plaguing the region for the past 20 years. Its financial revenue reached 15 million yuan in 1990.

Tibet's Open Policy Increases Outgoing Mail

OW2201134091 Beijing XINHUA in English 1008 GMT 22 Jan 91

[Text] Lhasa, January 22 (XINHUA)—For postmen in Lhasa, capital of the Tibet Autonomous Region, the coming of the Spring Festival means a double work load.

Every morning they open the doors to long queues at the parcel and remittance counters. For years, people came mainly to draw money or claim postal packages containing food or clothes which were sent by their relatives in the inland regions.

However, the postal throughput has changed direction, Wang Dengming, a postal official told XINHUA. People now come to send parcels or remit money to their relatives in other regions of the country.

The official attributed the change to the government's open policy, which has led to a rapid development of the local economy. People from other regions now have more surplus money to select native products for their

relatives. Self-employed traders and peddlars from other provinces grin from ear to ear while counting the money they have earned here.

"But money counting is a tough and tedious task for our staff," Wang said. Thousands of Tibetan residents now have children studying in inland cities and they send money and food to them.

"Last month, we handled 78,723 items of express mail which were sent both to cities at home and abroad," Wang said, adding that nowadays, Tibet mail can directly reach 236 cities.

Pu Chaozhu Addresses Yunnan Party on 7th Plenum
HK2301064991 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 21 Jan 91

[Text] The Yunnan Provincial CPC Committee's seven-day work meeting ended in Kunming yesterday [21 January]. The meeting's main tasks were to relay and study the spirit of the 13th CPC Central Committee Seventh Plenum, sum up and investigate work in our province since the fifth provincial party congress in light of the practical conditions in our province, and make arrangements for work in 1991.

During the meeting, participating comrades conscientiously studied and discussed the documents of the 13th CPC Central Committee's Seventh Plenum, and a report delivered by the provincial party secretary on relaying the plenum's spirit. They unanimously held that the seventh plenum was an important meeting in summing up the past and ushering in the future. It was a meeting to mobilize the whole party and people of various nationalities throughout the country to struggle hard to attain the socialist modernization program's strategic objectives. The plenum approved the proposal on formulating the 10-Year Program and the Eighth Five-Year Plan. It is a magnificent blueprint for modernization in our country, and a program of action for the entire party and people throughout the country.

Through study and discussion, participants unified their thinking, inspired their enthusiasm, and enhanced their confidence in overcoming difficulties. They unanimously stated that they resolutely supported the Seventh Plenum's spirit, and were determined to implement it conscientiously.

On the basis of studying and comprehending the Seventh Plenum's spirit, participating comrades summed up and exchanged their working experiences. Party secretaries from various prefectures, autonomous prefectures, cities, and relevant responsible persons at the provincial level delivered speeches on special topics at the meeting. Provincial CPC Committee and government leaders spoke on the work in the new year.

While arranging for our province's economic work this year, He Zhiqiang, deputy provincial party secretary and governor, pointed out: During the Eighth Five-Year Plan

period, our emphasis must still be placed on laying a foundation. We must lay a solid foundation for agriculture, and strengthen the construction of basic facilities, including traffic and transportation, energy, and telecommunications. We must grasp well the establishment of 100 large and medium-sized state-owned industrial and communication enterprises [words indistinct]. We must further expand opening up to the outside world to make efforts to create a new situation in opening up.

At the meeting's end, provincial party Secretary Pu Chaozhu made a concluding report. In accordance with the spirit of the Seventh Plenum, he expounded several questions that deserved attention and must be solved in light of practical conditions in our province. These questions are: First, we must persist in grasping the building of the two civilizations simultaneously; second, Marxist viewpoints on nationalities and religion; third, the issue of common prosperity; fourth, relying on science and technology to enhance the quality of our nationalities; fifth, taking agriculture as a foundation to strengthen collective economic strength; and sixth, creating a new situation in opening up to the outside world and strengthening the building of the party.

In his report, Pu Chaozhu particularly stressed: Party committees at all levels must promptly implement, relay, and study the spirit of the 13th CPC Central Committee's Seventh Plenum. Before the spring festival, they must grasp well the study of cadres above county level. After the spring festival, a large number of cadres from leading organs above county level will be sent to the vast rural area, factories, and mines to relay and study the Seventh Plenum's spirit in light of local conditions. Efforts will be made to adopt a method of reviewing and summing up past matters, checking up, and contrasting the present with the past to carry out a mass socialist education to struggle hard to achieve a good agricultural harvest and continued industrial growth.

Those who attended the meeting included leading comrades from the provincial CPC Committee, Advisory Commission, People's Congress, government, and CPPCC; various prefectural, autonomous prefectural, and city party secretaries; commissioners, prefectural chiefs, and mayors; and responsible persons of relevant departments.

Yunnan Publishes Ancient Ethnic Minority Books
OW2301050691 Beijing XINHUA in English
0456 GMT 23 Jan 91

[Text] Kunming, January 23 (XINHUA)—The multinationality Yunnan Province is compiling and publishing ancient ethnic minority books to provide scholars and libraries at home and abroad with scientific data.

Of the 55 ethnic minority groups in China, 24 reside in Yunnan, including the Yi, Dai, Naxi and Tibetan nationalities, which have their own written languages.

In addition to the ancient books left by these ethnic minority groups, the Bai, Zhuang and Yao nationalities, which do not have a written language, have recorded a great deal of ancient information with the sounds of the Chinese characters. Moreover, several other ethnic minority groups have many folk religious classics and fairy tales which have been handed down through the generations orally.

In 1984, the Yunnan provincial government set up an office to collect, compile and publish books on ancient ethnic minority culture in a bid to save, protect and develop it for future generations.

So far, the province has collected more than 500 catalogues of related books with more than 10,000 volumes, and thousands of pieces of ancient woodcuts of the Hui nationality. It has also recorded 15,000 oral folk religious classics and fairy tales.

A provincial official in charge of publishing ethnic minority books said that the province has issued 40 ancient ethnic minority books in the past five years, adding that it plans to publish several series of the books in the coming years.

According to the official, Yunnan is cooperating with neighboring Guizhou Province and the Guangxi Zhuang Autonomous Region to set up a central data bank of ancient ethnic minority books.

North Region

Beijing Government Succeeds in Reducing Subsidies

OW2201195591 Beijing XINHUA Domestic Service
in Chinese 0833 GMT 21 Jan 91

[By reporter Yan Zhenguo (7051 2182 0948) and correspondent Shen Xiaoping (3088 1420 1627)]

[Text] Beijing, 21 Jan (XINHUA)—According to the ongoing Beijing Fiscal Conference, Beijing achieved a significant breakthrough last year in reducing subsidies; the amount of subsidies dropped for the first time in over a decade.

Statistics show that Beijing spent 4.48 billion yuan to subsidize receipts and payments in 1990, or 20 million yuan less than in 1989, the peak year, and 520 million yuan lower than the planned target.

For various reasons, Beijing's subsidies were increasing year after year for more than a decade. In 1989, the city spent 4.5 billion yuan on subsidies. The increasingly heavy burdens caught the attention of the municipal government and relevant authorities. Thus, the Beijing Municipal Government made it clear at the end of 1989 that leading comrades of all departments must take personal charge of reducing subsidies and cut anticipated subsidies of 5 billion in 1990 to under 4.5 billion.

Subsidy reduction, therefore, remained a central project in Beijing throughout 1990. Under the personal attention of the mayor and vice mayors, an ad hoc group was set up by the municipal financial bureau to head the subsidy reduction project, and seven investigation groups were organized to screen each and every one of the 24 subsidy projects of various departments, districts, and counties. Their investigation showed that while certain projects indeed required more subsidies because of irrational economic affiliations others were caused by mismanagement and lack of supervision; some subsidies were legitimate, while others were the result of loopholes and waste. On this basis, under the premise of not raising prices, not affecting the people's livelihood, and not upsetting the capital's stability, Beijing set subsidy reduction targets, divided the responsibilities, and charged all grass-roots departments with sharing them. Meanwhile, the municipal government also devised some subsidy reduction measures by which units or enterprises were required to make up excess subsidies or, as a token of encouragement, permitted to keep part or all of the money saved by reducing subsidies according to the situation.

Because reduction targets and measures were proper, anticipated results were reached. Work accomplished last year showed that all units and departments could attain reduction targets under the conditions of stabilizing commodity prices, improving the people's livelihood, and eliminating the causes of high subsidies. Take the grain departments, for example. Even though they had to buy a lot more grain at higher prices, they were able to reduce subsidies substantially thanks to better management in plugging loopholes. By using all possible means such as reducing inventory and expanding direct ties between production and marketing sectors, commercial departments were able to lower costs, thus reducing losses. After balancing their profits and losses, Beijing commercial departments had a net loss of 397 million yuan, only 52.9 percent of the anticipated loss and 210 million yuan lower than a year before.

During the current fiscal conference, the municipal government has set more targets and measures for reducing subsidies even further.

Beijing Attempts To Improve Services

OW2301062291 Beijing XINHUA in English
0603 GMT 23 Jan 91

[Text] Beijing, January 23 (XINHUA)—The Beijing municipal civil administration has made efforts to improve the city's civil service facilities for the its residents.

According to the latest statistics, another 16 multi-function community service centers were set up in 1990. Moreover, neighborhood committees set up 726 service stations of various kinds throughout the city.

The municipal civil service authorities invested over one million yuan in production in 1990 to aid those in need and more than 4,300 families benefitted from this investment.

The administration also helped 6,000 demobilized servicemen find suitable jobs last year.

Inner Mongolia Party Meets on Plenum Guidelines

SK2301022991 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 21 Jan 91

[Text] The third enlarged plenum of the fifth autonomous regional party committee opened ceremoniously at the auditorium of the autonomous regional party committee today. The major tasks for this session are to comprehensively implement the guidelines of the Seventh Plenum of the 13th party Central Committee, to truly unify the people's thinking in line with the proposals of the CPC Central Committee for drawing-up of the 10-year program and the Eighth Five-Year Plan for national economic and social development, and, based on the actual conditions of our region, to summarize experiences, to emancipate the mind, to enhance confidence, to define realistic goals to be attained and the basic ideas for economic and social development for the next 10 years and the Eighth Five-Year Plan period, and to further unite and mobilize the vast number of party members and cadres, and the 21 million people of various nationalities throughout the region to work hard to achieve the strategic objectives to be attained by the end of this century.

Wang Qun, Bu He, Zhang Dinghua, Qian Fenyong, Geriletu, Liu Yunshan, Yang Enbo, Chen Kuiyuan, Wuyunqimuge and Bai Enpei attended the session and were seated on the rostrum. Also attending were members and alternate members of the autonomous regional party committee. Attending as observers were members of the autonomous regional Advisory Commission, members of the autonomous regional Discipline Inspection Commission, and leading comrades of the various major leading bodies of the autonomous region, the various leagues, cities, banners, and counties, the various departments, committees, offices, sections, and bureaus of the organs directly under the region, the various mass organizations, the various major industrial and mining enterprises, and the various universities and colleges.

Wang Qun and Bu He presided over the session in the morning and the afternoon, respectively. Bu He and Zhang Dinghua relayed the guidelines of the seventh plenum of the 13th party Central Committee. Wang Qun gave a report on the region's economic and social development for the next 10 years, mainly the Eighth Five-Year Plan period, entitled "Emancipate the Mind, Seek Truth From Facts, Unite As One To Carry Out Construction, And Strive To Attain the Second-Step Strategic Objectives." The report is composed of four parts: 1) major goals to be attained for the Eighth Five-Year Plan period and the next 10 years, 2) focuses of and major measures for our region's economic and social

development, 3) deepening of reform and expansion of opening up, and 4) the political ideology and organizational guarantee for achieving the goals to be attained.

Wang Qun pointed out in his report: The third plenum of the fifth autonomous regional party committee is a very important session, which has an extremely important significance in our efforts to summarize the past, open up the future, successfully fulfill the Eighth Five-Year Plan, and then attain the second-step strategic objectives of national economic and social development. The next 10 years should be a period for Inner Mongolia to give full play to its abilities. We must take the 12 principles as put forward at the seventh plenum of the 13th party Central Committee as our general guiding thoughts, have a strong sense of urgency of the times and historical responsibility, further emancipate our minds, brave the way forward, firmly rely on the people of various nationalities throughout the region, work in unity, pioneer our causes through hard struggle, and successfully fulfill the second-step strategic objectives.

Wang Qun stressed in conclusion: We have defined inspiring strategic objectives. To attain these objectives, leading cadres at various levels shoulder particularly important responsibilities. To lead the people of various nationalities to march triumphantly toward the grand objectives, we need foresight and sagacity, leadership ability and, especially, a mental attitude of making progress vigorously. We should overcome the negative and pessimistic ideas of sticking to old ways, being complacent and conservative, drifting along and making no attempt to achieve progress, make our mental outlook conform to this great era we are in, and to the people's pressing desire to become better off and lead a fairly comfortable life, and lead the 21 million people of various nationalities throughout the region to continuously hold high the banners of unity, construction, reform, and opening up, and, along the road of building socialism with Chinese characteristics, to strive to successfully fulfill the grand goals for the Eighth Five-Year Plan period and those to be attained by the end of this century.

Wang Qun States Future Goals

SK2301023391 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 21 Jan 91

[Text] In his report to the third enlarged plenary session of the fifth autonomous regional party committee, Comrade Wang Qun put forward the major tasks and goals of our region's economic and social development for the next 10 years and the Eighth Five-Year Plan period. Wang Qun said: In the next 10 years and the Eighth Five-Year Plan period, our region should achieve a fairly rapid development in its economy and social undertakings. Our strategic thoughts are to develop our advantages in resources, to rely on reform and opening up, to base ourselves on scientific and technological progress, and to strive to develop the region and make the people prosper. The major tasks and goals are to by and large

attain the three short-range goals in the Eighth Five-Year Plan period; to comprehensively attain the second-step strategic objectives, and achieve a 100-percent increase or more in GNP over the 1980 figure by the end of this century; to greatly enhance our overall economic strength; to bring the people's life to a fairly comfortable standard; to build, through hard work, our region into an important energy, raw material, metallurgical industry, heavy chemical industry, and woolen textile industry base of the state, and into an animal husbandry, forestry, grain, oil, and sugar production base, and strive to make some of these industries rank among the best in the country; and to further develop science and technology, education, culture, and other social undertakings. When the aforementioned goals are attained, our region will be able to make a great step forward on the road to unity, progress, civilization, and prosperity, and Inner Mongolia will be able to enter the 21st century with a brand-new attitude, and lay a solid foundation for attaining the third-step strategic objectives.

Wang Qun pointed out: To attain the aforementioned goals, our region's annual GNP growth rate should be higher than the national average. Our growth rate should be achieved on the premise that economic efficiency is improved and on the basis that the comprehensive production capacity is increased, and should be a realistic one that can increase our vigor and reserve strength.

Wang Qun pointed out: The favorable conditions for attaining the goals are as follows: First, after four decades and more of construction, our region has established industrial and economic systems that consist of fairly complete branches, and that have a substantial foundation. This provides a good foundation for our region's economic and social development for the 1990's. Second, our region is an important energy and raw material industry base for the country, and the state's industrial policy of giving special emphasis to some industries provides with us a very good opportunity. Third, our region stretches over north, northeast, and northwest China, neighbors seven provinces and one autonomous region, is close to Beijing and Tianjin, and borders on the Soviet Union and Mongolia. It has an excellent geographical environment. Fourth, the central authorities have formulated the major policies of accelerating the economic development of the border regions of minority nationalities. Cadres at various levels, and party members throughout our region have an ever increasing awareness in defending the reunification of the motherland, and safeguarding national unity and political stability. This provides a reliable political guarantee for us to concentrate our efforts on economic construction.

Wang Qun pointed out: In the process of attaining the aforementioned goals, we still have many difficulties and unfavorable factors. However, as long as we fully develop our subjective initiative, we will be able to turn the unfavorable factors into favorable ones, turn negative factors into positive ones, and make the tremendous potential of our region develop to the full.

Inner Mongolia Stock Procurement Reported

SK2301080191 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 21 Jan 91

[Summary] The Inner Mongolia Autonomous Region has successfully concluded the procurement of cattle, sheep, and goats. By the end of December 1990, the state-run commercial firms across the region had procured more than 291,900 beef cattle, a 42.3 percent increase over the same period of 1989; and more than 1,458,100 sheep and goats for consumption, a one percent increase over the same period of 1989. By the end of 1990, the region sent out more than 3,500 tons of beef and more than 10,000 tons of mutton, exported more than 10,400 tons of beef and more than 140 tons of mutton, and sold more than 22,100 tons of beef and mutton on the domestic market.

More Investment for Inner Mongolia Coal Mine

OW2201171491 Beijing XINHUA in English 1332 GMT 22 Jan 91

[Text] Hohhot, January 22 (XINHUA)—China will invest an additional one billion yuan (200 million U.S. dollars) in construction of the Jungar Coal Mine, following completion of first phase construction.

The Jungar mine is the largest development project in the history of China's coal industry. The project includes construction of an open-cut coal mine with an annual production capacity of over 120 million tons, a thermal power plant with an installed capacity of 200,000 kilowatts, and a 215-kilometer railway which will connect the mine with the national railway network. The cost of the project is expected to exceed 4.1 billion yuan (800 million U.S. dollars), and will require three years to complete.

The first phase of construction, which cost over 470 million yuan, included completion of roads in the coal mining district, as well as completion of the power line network, a portion of the railway bed, and the residential areas.

Tianjin's Labor Service Earnings Reported

SK2301080391 Tianjin City Service in Mandarin 2300 GMT 21 Jan 91

[Summary] Tianjin Municipality scored marked achievements in rendering labor services in foreign countries in 1990. Its labor cooperation contracts signed during the year were worth \$57.38 million, a 58.4 percent increase over 1989. The volume of the contracts which were honored during the year reached more than \$28 million, a 43.6 percent increase over 1989. The number of staff members and workers who worked for the year in foreign countries to honor the labor service contracts reached 3,146. In December 1990, the municipality signed contracts worth more than \$19 million with the Soviet Union for construction projects.

Northeast Region

Heilongjiang Birth Control Results Reported

SK2101115391 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 19 Jan 91

[Summary] Over the past 10 years, Heilongjiang Province has scored marked achievements in birth control, and has shown a 4.17 million birth decrease over the 1970's, which ranks the province third in this regard in the country. The province's birth rate during the 10-year period ranks the province sixth in this regard in the country. Its natural population growth ranks it seventh in the country.

Jilin Remains Leading Commodity Grain Producer

OW2201114691 Beijing XINHUA in English
1015 GMT 22 Jan 91

[Text] Changchun, January 22 (XINHUA)—Central government statistics show that northeast China's Jilin Province is still the leader in the country in terms of per capita share of grain output and grain sales to other areas.

Last year the province produced a total of 11.5 billion kg of commodity grain, accounting for 11 percent of the national figure.

During the Seventh Five-Year Plan period (1986-1990) a total of 11.1 billion kg of grain was transported to other provinces.

Jilin only has 60 million mu (about four million ha) of cultivated land, four percent of the country's total cultivated area.

The rural reform and the popularization of agricultural and scientific technologies in recent years have greatly enhanced the stable development of commodity grain production in the province.

In the 1986-1990 period the commodity grain bases in the province increased to 28 counties from the former six.

Also in the past five years, Jilin has produced a total of 79.88 billion kg of grain, an increase of 17.28 billion kg over the figure for the previous five years. Meanwhile, per capita grain share reached 700 kg, twice the national average.

The statistics show that in 1988, exports of agricultural products—mainly grain—accounted for 58 percent of the total provincial exports. And the province's 2,167 grain processing plants produced a total of 1.68 billion yuan in output value, with profits of 280 million yuan.

Jilip is also the largest corn market in the country.

In the 1986-1989 period about four to five billion kg of corn were transferred from Jilin to other provinces and regions in the country.

New Oil Fields Increase Jilin's Output

OW2201151191 Beijing XINHUA in English
1326 GMT 22 Jan 91

[Text] Changchun, January 22 (XINHUA)—The Jilin oil field in northeast China's Jilin Province became one of China's eight largest oil producing areas last year by producing over 3.55 million tons of oil, compared with 2.13 million tons in 1985.

Officials in charge of the oil field attributed the increase to five newly verified oil fields in the province, and to increased production of the existing oil wells.

Quan Shuren Reports to Liaoning CPPCC Meeting

SK2001071791 Shenyang Liaoning Provincial
Service in Mandarin 1030 GMT 19 Jan 91

[Text] After a three-day session, the 12th Standing Committee meeting of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] concluded in the city of Shenyang on 19 January. During the meeting, the participating members heard the report given by Comrade Quan Shuren, secretary of the provincial party committee, on relaying the spirit the Seventh Plenum of the 13th CPC Central Committee. Comrade Yue Qifeng, deputy secretary of the provincial party committee and acting governor of the province, attended the meeting and sponsored a forum with a number of standing committee members.

During the meeting, the participating comrades, based on earnestly reading the documents and in line with the province's reality, held discussion on comprehending and implementing the plenum's spirit and put forward positive suggestions on fulfilling the state and provincial 10-year plans and the Eighth Five-Year Plan.

Li Qisheng, vice chairman of the provincial CPPCC committee, presided over the meeting on the afternoon of 19 January, at which, Peng Xiangsong, vice chairman of the provincial CPPCC committee, delivered a report on relaying the spirit of the 12th meeting of the Seventh National CPPCC Standing Committee.

During the meeting, the participating members unanimously approved the resolution on studying and implementing the spirit of the Seventh Plenum of the 13th CPC Central Committee. They contended that we should proceed from the conditions of the province and the country to fulfill the tasks adopted at the plenum; under the leadership of the provincial party committee, bring the strong points of the CPPCC Committee into play; heighten our spirit; uphold self reliance; wage arduous struggle; overcome the difficulties; and should make contributions to consolidating or developing the political situation of stability and unity and to improving the province's economy as soon as possible.

Shen Xianhui, vice chairman of the provincial CPPCC committee, delivered a speech in concluding the meeting, in which he pointed out that the CPPCC

committees at all levels must do their best to help the provincial party committee and the provincial People's Government implement in an overall way the spirit of the Seventh Plenum of the 13th CPC Central Committee, fully perform their basic functions, and must improve their work to a better extent.

Attending the meeting on 19 January were comrades, including Xu Shaofu, chairman of the provincial CPPCC committee; and vice chairmen of the provincial CPPCC committee, including Niu Pingfu, Liu Mingjun, Ma Longxiang, Yue Weichun, Liu Qingkui, Li Ming, and Wang Shuzhi.

Visits 3 Major Enterprises

SK2201102891 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 21 Jan 91

[Text] A few days ago, provincial party committee Secretary Quan Shuren went to three major enterprises in Shenyang to conduct a thorough investigation on the issue of how to invigorate large and medium-sized enterprises. After summarizing the successful experience gained by enterprises in carrying out technological transformation and summarizing the lessons gained from the failure in this regard, he pointed out: Technological transformations of large and medium-sized enterprises should be centered on products and be guided by markets.

Quan Shuren said: During the Seventh Five-Year Plan period, our input in technological transformations was not insignificant, but the results were not good. A major reason is that quite a few large enterprises did not have a definite direction for their technological transformation projects. Some enterprises invested large funds in technological transformations, but in the end, they even failed to develop a single presentable product. We should draw a lesson from this. Technological transformations must be carried out in line with the development of new products. The reason that many old enterprises lack momentum for further development lies in their outmoded products and in the gradual weakening of the markets they occupy. At the moment, the renovation of products is more urgent than the transformation of technologies. Only by first developing new products which have bright prospects in the market can we begin to talk about the transformation of technologies and equipment.

Quan Shuren greatly praised the Shenyang Mining Machinery Plant for its development of new products in a cross-professional manner. Although this plant is supposed to produce mining equipment, it has developed a high-level combined switch for car use, which promises to have very good prospects in the market. Quan Shuren said: When developing new products, enterprises should broaden their field of vision, and may deal in business with diverse trades. New products are valued for their newness but not quantity. New products should be well-known throughout the country.

Quan Shuren emphatically pointed out: Shenyang's large and medium-sized enterprises have a good foundation and a strong strength. So long as they seize the favorable opportunities of the current economic structural readjustment and opening to the outside world, and so long as they are bold in seeking more markets at home and abroad, they will be able to invigorate themselves and to make new contributions to the state.

Liaoning Foreign Trade Achievements Reported

SK2301073791 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Jan 91

[Summary] Liaoning Province achieved sustained and steady development in economic relations with foreign countries and in foreign trade in 1990 and scored marked achievements in building production bases for export products. The volume of exported commodities scored by coastal cities in the province reached \$5.6 billion, a 25.9 percent increase over 1989. The volume of indigenous products exported by Liaoning Province alone during the year reached \$2.115 billion and the province prefulfilled by six months the export contracts signed with the state. It also signed 641 contracts worth \$1.9 billion with outside firms on capital utilization. The province approved the establishment of 371 joint-venture and cooperative enterprises with foreign countries and foreign-funded enterprises during the year, a 37 percent increase over 1989, and the outside funds invested in these enterprises totaled \$820 million, a 24 percent increase over 1989. By the end of 1990, the number of these enterprises in the province reached 1,118, of them, 463 enterprises were put into operation and they exported \$220 million worth of commodities during the year. The province signed 94 contracts worth \$240 million for labor services with foreign countries during the year, a one-fold increase over 1989.

Northwest Region

Song Hanliang on Xinjiang's 1991 Rural Work

OW1501134091 Urumqi XINJIANG RIBAO in Chinese 16 Dec 90 p 1, 2

[Speech by Secretary Song Hanliang at the Xinjiang Autonomous Region Mobilization Meeting for 1991 Rural Work on 15 December 1990]

[Text] Comrades: In accordance with the guidelines of the "Main Points on the Work of the Autonomous Region For This Winter and Next Spring," the party committee and people's government of the autonomous region decided to organize some 18,000 cadres into rural working groups so that they may go deep and work in rural and pastoral areas. It is hoped that they will do a good job in rural and pastoral areas this winter and next spring and help promote stability and development in those areas with strengthened leadership, concentrated time, and concerted effort. This is one of the major decisions of the autonomous region's CPC Committee

and people's government to strengthen farming and rural work. Prefectures, autonomous prefectures, and departments effected a general mobilization following the autonomous region's mobilization teleconference. Quick mobilization and effective mobilization measures allowed for the basic completion of the task to form working groups within a short period of several days. At present, the transfer work for some 500 cadres at district levels to work at rural and pastoral areas has basically been completed. I now want to give my views on strengthening agricultural and rural work, the tasks of rural working groups, and other issues.

I. The Importance and Necessity of Strengthening Agriculture and Rural Working Groups

Agriculture is the foundation of the national economy and one of the component parts of the national economic system. Since the founding of the republic, we gained extremely valuable experience from the practice of socialist revolution and socialist construction: If agriculture goes wrong, it will not only affect the development of the national economy, but will also affect stability of whole society; on the contrary, if agriculture develops and the grain supply improves, the development of the national economy and social stability will be assured. Therefore, the scientific diagnosis of agriculture being the foundation of the national economy is an irrefutable truth.

Comrade Jiang Zemin pointed out at the central forum on rural work: "We should deepen our understanding of the importance of rural work and agriculture from an economic and political perspective, from a short-term and long-term perspective, from the overall situation of socialist modernization construction, from the strategic position of rural work and agriculture in modernization construction, and from the perspective of the extremely important and complexity of the task to upgrade agriculture; and we should continuously strive to open new phases in rural work and in agriculture." Comrade Jiang Zemin's exposition is an incisive one. We should not merely view agriculture as an economic issue; agriculture is also a political issue. We should proceed from this high plane to understand agriculture and rural work. We should stress and strengthen agriculture and rural work from this high plane. Only through this, can our thinking be more unified and our actions more voluntary. We should not rest on run-of-the-mill slogans. The practice of paying attention to agriculture only after we paid for it due to neglect and the practice of neglecting agriculture because of a good situation should be avoided.

Agricultural development in our region has basically been stable. We have reaped good harvests for 13 years running. This year is another bumper harvest year. The situation has been very encouraging. We still must keep a clear head; we must never be blindly optimistic, and we cannot afford to lower our guard though we have been presented with reports of good harvests year after year.

Instead, we should make persistent efforts to ensure a sustained, stable, and coordinated development of agriculture.

Agriculture, to our Xinjiang, added an important position and role in the whole national economic and social development. Agriculture is one of the most important factors to determine the good or bad economic and political situation in Xinjiang, which is also a supporting force for Xinjiang in developing the economy and maintaining social and political stability. This is determined by the special situation of Xinjiang and has been proved correct through practice. 1. Xinjiang is a relatively independent economic zone which can never get along by relying on the massive transfer of grain from China's hinterland. We once paid dearly for it in this respect. If we are unable to manage the major issue of grain supply, then we will not be able to spare efforts to develop cash crops and other crops. 2. Xinjiang enjoys obvious advantages in developing agriculture, forestry, animal husbandry; Xinjiang has abundant agricultural resources. Seen from the current economic structure and from a long-term economic development strategy, light textile and foodstuff industries which draw their raw materials from agriculture and animal husbandry and from agricultural and animal husbandry products, will from now to a considerably long period in the future still be the main body and pillar of the autonomous region's national economy. This is the great agricultural strategy mapped out by the party committee and the people's government of the autonomous region. Agriculture will still remain the foundation of Xinjiang's national economy even if the autonomous region's economy sees great development in the future. 3. The rural economy's development not only concerns the personal interests of a large number of farmers and herdsmen, who accounted for over 70 percent of Xinjiang's population, and the stability in farming and pastoral areas, it also concerns the prosperity of urban and rural markets, the increase in effective supply, the sense of security in the minds of the people and social stability. In addition, the rural economy's development has an extremely important significance in cementing and promoting national unity, and maintaining motherland unification. Therefore, we should never neglect the issue of agriculture.

In this connection, the party committee and the people's government of the autonomous region decided to organize some 18,000 cadres into rural working groups to go work this winter and next spring in townships and villages of rural and pastoral areas. Their work will be to help stabilize the situation, build grassroots organization in rural areas, launch socialist education, further deepen rural reform, build irrigation works in the winter and spring, and do a good job in ploughing preparation. This is one of the central tasks of all levels of party and government organs in the autonomous region; they should do a good job and produce results in this regard. All comrades of the rural working groups should ideologically further raise their understanding of the importance of agricultural and rural work. Here, I want to

particularly stress the importance and necessity of organizing rural working groups. Agriculture requires a strong and integrated organizational force to promote its development as agriculture is a complex engineering project and involves many areas. Regarding productivity, we must constantly raise overall agricultural productivity if we want to ensure the sustained and stable development of agriculture. The power of the party's policy and the mobilization and bringing into play the initiative of farmers and herdsmen are also needed to ensure the sustained and stable development of agriculture. There will be no bumper harvest, even with heaven's help, without them. Next year will be the first year of the Eight Five-Year Plan. We will, on the basis of this year's bumper harvest, strive to raise agriculture to another high level. The difficulty will be great and the task will be heavy. There is a lot of work to be done. Relying on the existing organizational structure, our regular work, and conventional methods will not be enough. We will surely and continuously have more bumper harvests in agriculture and animal husbandry in the first year of the Eighth Five-Year Plan and lay a good foundation for the Eighth Five-Year Plan and for the national economy in the next decade only by organizing and sending rural working groups to rural areas, by carrying through all areas of work under the leadership of all levels of party and government organs and together with local grassroots cadres, by building contacts with every household, by directly mobilizing and organizing every household, by exercising direct leadership, by directly presenting party's policies and principles to the masses, by making people perfectly understand our goals and making the masses to voluntarily strive after those goals.

II. The Major Tasks of Rural Working Groups

The political and economic situation in the autonomous region presently is excellent. The situation in rural areas is also very good. Stability work has a sound foundation. National unity was further strengthened. Attention was drawn to the importance of building grassroots party and government organs and the building of grassroots party and government organs was strengthened. Ideological and cultural positions were recaptured and fortified. Religious management work also markedly improved. Improvements in other areas of work were also made. In order to further develop the excellent situation in rural areas, rural working groups should follow the demands set forth in the "Circular on 1991 Agricultural and Rural Work" by the CPC Central Committee and the State Council. The guidelines of General Secretary Jiang Zemin's speech while inspecting Xinjiang should serve as a guiding thought for them. They should make the arrangement at the 15th Plenum (enlarged meeting) of the Third Xinjiang Autonomous Region CPC Committee and the Major Points of the Party Committee of the Autonomous Region on the Work for This Winter and Next Spring as major contents. They should use socialist ideology to educate, mobilize, organize the masses; and concentrate efforts to do a good job in

various areas of work in rural and pastoral areas this winter and next spring. They should help lay a sound foundation for comprehensively fulfilling all areas of tasks in rural and pastoral areas this winter and next spring. Specifically speaking, the five tasks for rural working groups are:

1. They will help launch indepth education on socialist ideology, mainly among cadres and the masses in rural and pastoral areas. They will carry out education on the party's basic lines; on patriotism, socialism and collectivism; on maintaining motherland unification; on opposing national splittism; on the party's nationality policy; and on national unity. The emphasis will be on strengthening education among party members and cadres. We should stress positive education and self-education, commend advanced units and individuals, and set up role models in carrying out education on socialist ideology. We should integrate the propaganda and education campaigns for the solution of major local problems and help promote building material and spiritual civilizations.

Various educational activities should be conducive to consolidating and developing the achievements of rural reform with the output-related system of household contract responsibility as its main content, further arousing the enthusiasm of large numbers of cadres and people, enhancing their socialist and collectivist awareness, strengthening national unity, maintaining the unification of the motherland, expediting the development of the socialist commodity economy, and promoting stability and the building of spiritual civilization.

2. It is necessary to strengthen the building of basic-level party organizations in rural and pastoral areas. Efforts should be made to do a good job in building various party organizations with the town and township party committees as their core and in building village party organizations with the village party branches as their core, and stress should be put on party organizations at the village level. It is essential to effectively build village party branches, villagers' committees, and villagers' groups; to strengthen and improve villagers' cooperative economic organizations; and to train basic-level rural cadres. At the same time, attention should be paid to building organizations of the Communist Youth League, women's federations, and the militia and bringing their roles into full play. What is crucial here is to consolidate and strengthen the leading bodies of various basic-level organizations and improve their rules and regulations, to rectify their weaknesses and laxness, and to strengthen the leading role of village party branches as the core. Meanwhile, attention should also be paid to improving agriculture-related professional and technical organizations at the township level and strengthening their functions in serving agricultural production.

3. It is necessary to guide and promote reforms in rural and pastoral areas, stressing the improvement of the output-related system of household contract responsibility and the dual management system. Vigorous efforts

should be made to strengthen and improve socialized service organizations with the "five-good constructions" [wu hao jian she 0063 1170 1696 6080] as their foundation and "five unifications" [wu tong yi 0063 4827 0001] as their main content, to strengthen all service organizations, to establish a socialized service system in the rural and pastoral areas and improve it, to set community-wide economic cooperative organizations and rural cooperation foundations, to strengthen the functions of collectives in providing unified services, and to develop the collective economy step by step.

4. A good job should be done in agricultural and livestock production. The first year of the Eighth Five-Year Plan is 1991. We should work hard to wrest a good harvest in both agriculture and animal husbandry, to ensure the further development of our rural and livestock economies, and to further consolidate and develop the excellent situation in rural areas in 1991. This will be of great significance for achieving the targets of economic and social development set in the Eighth Five-Year Plan and attaining the strategic objective of quadrupling Xinjiang's GNP by the end of this century. Whether or not we can reap a good harvest in both agriculture and animal husbandry in 1991 depends on how well we do our work this winter and next spring. When work groups arrive in rural and pastoral areas, they should promptly assist and guide local people in continuing to engage in farmland capital construction with the building of water conservancy projects as the central task, carrying out in an all-around way various production measures and measures to increase production, making farming preparations, combating natural disasters, wintering livestock, and winning the first battle for agriculture and animal husbandry in this winter-spring period in order to bring about a new situation in which we will be able to increase production and reap a good harvest in both agriculture and animal husbandry in 1991.

5. It is necessary to improve rural elementary and middle schools. The autonomous region has a total of 9,250 elementary and middle schools, with 2.72 million students. They will be the successors for building socialism in the 21st century. It is strategically important to improve elementary and middle school education because it concerns the future and destiny of our country and socialist cause. More than 70 percent of the elementary and middle schools in our region are in rural and pastoral areas. Once education in these areas is done well, it will have great significance for improving education and social stability and development throughout the region. Because we neglected elementary and middle school educational work, particularly the work in rural areas, and students' moral education, national splittism, and religion seized the opportunity to affect and corrupt students' ideology. It is time we pay serious attention to elementary and middle education, especially students' moral education, in rural and pastoral areas. Therefore, when the work groups go to these areas, they should regard this work as an important part of their mission.

They should pay attention to the building of good leading bodies, good party branches, and the selection of good school principals. The system of school principals assuming responsibility under the leadership of party branches should be adopted in elementary and middle schools, and the training of teachers should be strengthened. It is necessary to implement the principle of all-around development of moral, intellectual, and physical qualities, with priority given to moral education. It is necessary to make elementary and middle schools a strong bastion for training socialist builders and successors who are both Red and competent. In Xinjiang, it is necessary to pay special attention to strengthening education on national unity and on the need to safeguard national unification. Unity and love among various nationalities should be taught at an early age. It is necessary to strictly ban religion from interfering in education and prevent it from competing with us in winning over young people.

The above-mentioned tasks are heavy and arduous. We must have a correct guiding principle and good work methods to accomplish these tasks in a short period of over three months.

First, it is necessary to carry out work under the unified leadership of local party committees. After arriving in rural areas, the work groups should coordinate with local party and government leaders and carry out their work under the unified leadership of local party committees. Cadres of the work groups should unite with local cadres, modestly learn from them, and study and discuss matters with them. In townships and villages, cadres of the work groups should not run things all by themselves without consulting others. They should respect grassroots cadres, rely on them and on grassroots organizations, actively help them draw up plans, and warmly help to do their work well.

Second, work groups' planning should be done in accordance with the actual local situation; work at one place should be coordinated with work in other places; work in helping and instructing local cadres should be integrated with work in serving local grass-roots units. After going to rural areas, work groups should seriously conduct investigations and studies, try to understand local conditions as quickly as possible, and work out plans in accordance with the actual local situation. In carrying out their work, they should pay attention to representative cases, sum up experience drawn from these cases, and use this experience to guide work as a whole. Work groups should work out strategy and planning for grass-roots cadres, quickly grasp difficult points and crucial issues encountered in carrying out work, and do their best to help local grass-roots units to solve problems and do practical things.

Third, work groups should trust and seek assistance from the majority of local cadres and masses. We should have a correct perception of the conditions in rural areas. We should believe that the great majority of the masses are good, the great majority of grass-roots cadres are good,

the great majority of the leading bodies of grass-roots organizations are good, and the main stream of rural work is good. Current education in socialist ideology and building of grass-roots organizations are different from the past "four clean-ups" work [a national-wide movement to clean things up in the fields of politics, economy, organization, and ideology, 1963-1966]. We are carrying out work in various fields at a time when rural reforms and economic development are very promising. The purpose of our work is to further improve and refine rural work. Therefore, our work should focus on conducting positive education and self-education. Cadres at all levels of rural work groups should strictly carry out the party's policies and handle all kinds of problems in a practical manner.

Fourth, rural work groups should improve their internal management. Good ideological work within the work groups is an important step towards doing good work. Work groups in each county may set up a provisional party committee to be directly under the leadership of the county's party committee. Party organizations of work groups should focus their work on internal ideological and political work, and intensify study of cadres of work groups. When facing important issues, work groups should first unify their thinking and understanding and enhance organizational discipline in order to do work well with one heart and one mind.

III. Enhance the Sense of Responsibility and Glory Among the Cadres To Go Down to the Grass-Roots Units To Work

The tasks of rural working groups are an important integral part of the entire autonomous region's rural work. Whether or not the working groups can successfully fulfill their tasks has a bearing on whether or not the autonomous region can usher in a new situation in its rural work next year, on the political stability and economic development in the countryside and in pastoral areas, and on the overall situation of the autonomous region. It is necessary for cadres of every working group to understand that the tasks of a rural working group are a serious political mission and that the job they are undertaking is a very glorious one. They must, therefore, constantly remind themselves of the important responsibility which rests upon their shoulders.

Each and every cadre of the working group must realize that it is a rare opportunity for learning to be able to participate in the working group and go down to the grass-roots units in rural areas to work. Over a long period of time our government functionaries, especially those who rarely visit rural areas, lack understanding or have but a superficial understanding of the situation in rural areas. This is especially true of the young cadres who just received an assignment to work in government offices upon their graduation from school; it is equally true of the cadres who have never worked in rural areas. They are extremely unfamiliar with the situation in rural areas. They may experience and observe in person the

actual conditions in rural areas through their participation in the tasks of the rural working groups. It is an extremely good opportunity for them to acquire a profound understanding of the national and regional conditions.

Encouraging government functionaries to go down to the grass-roots units in rural areas and to be engaged in actual work will, meanwhile, afford an extremely good opportunity for them to improve their capabilities of analyzing and solving problems. Subjecting cadres to a tempering process in the grass-roots units in rural areas is very conducive to improving their overall working capabilities. This is particularly true of young cadres, as working in rural areas affords a rare good opportunity for them to temper themselves. The party committees at all levels shall adopt the assignment of cadres to work in grass-roots units as an important means for cadres' training in the future. The organization departments at all levels shall consider the performances by cadres in working groups as an important criterion for appraisal, and train and discover more qualified cadres from among those who take part in the rural work. Furthermore, reserve cadres at all levels should be assigned to work in grass-roots units and undergo a tempering process in a planned way. The task shall be systematized and regularly carried out. It is necessary for party committees and organization departments at all levels to create and provide opportunities for government functionaries to go down to the grass-roots units and undergo a tempering process. This will enable every cadre to give full play to his or her talents on the grand stage of rural areas and improve his or her own capabilities.

Government functionaries' going down to grass-roots units also affords a good opportunity for them to temper themselves and build up their willpower. I hope the cadres of this term's working groups will definitely be fully prepared in their minds to endure hardships. They must have the firm and indomitable spirit to surmount difficulties and achieve outstanding successes under difficult conditions by carrying forward the fine traditions of the party.

Meanwhile, we hope that, at the end of the working groups' work, each and every cadre of the working groups will be able to produce a survey report of comparatively high quality on a certain aspect or certain issue of our rural work for the party committees and relevant departments at all levels to use as a reference in deciding on policies and providing guidance for work.

IV. Firmly Establish the Concept of Making Agriculture the Foundation and Correctly Handle Relations between Central and Departmental Work

The party Central Committee repeatedly stressed that agriculture is the foundation of the national economy, and urged all trades and departments to lend full support to agriculture and to arouse an outpouring of concern, care, and support for agriculture throughout the nation. At present, a general trend of support for agriculture is

evolving in all trades and departments in our autonomous region. However, such support is still uneven. Some departments failed to firmly establish the concept of making agriculture the foundation and to thoroughly support agriculture in all endeavors.

Agriculture is a comprehensive industry as well as the business of the whole people and society. Its development cannot merely rely on agricultural departments and leaders in charge of agriculture; nor can it rely on the work of planning departments, the allocations of financial departments, and the production efforts of agricultural departments. Under the leadership of party committees and governments at all levels, we must form the various trades and departments into a massive force that serves the needs of agricultural development. Only then can we make agricultural development the business of the whole party and society; foster a general trend of concern and support for agriculture by all people, trades, and departments; truly initiate a new situation marked by all-out development of agriculture by the whole party and people; and promote steady agricultural development. Therefore, all trades and departments should solidify the concept of making agriculture the foundation and contribute toward developing agriculture and improving rural work.

How should the various trades and departments solidify the concept of making agriculture the foundation? I think that they should currently work in three main areas.

First, it is necessary to attach great importance to agriculture and to tailor the work of each trade and department to the needs of agriculture. Whether the party committee at a particular level or a given department takes agriculture seriously depends on whether it is concerned about overall interests. It is essential to place agriculture above everything else, to incorporate the initiatives of concern and support for agriculture into routine tasks, and to consider departmental interests within the context of overall interests. Many units shared the pressing needs and concerns of agriculture in recent years. They provided agriculture with assistance in manpower, material supply, and financial support, and devoted themselves wholeheartedly to serving agriculture. Not only did supply and marketing cooperatives, agricultural banks, and grain, weather, and scientific research departments concentrate their efforts on rural areas; educational, propaganda, cultural, medical, and public health departments also shifted their focus to rural areas. However, some departments neglected rural areas while focusing on cities. They made unauthorized collections from rural areas and did not want to work harder for agriculture and rural endeavors. Some departments even abused their power to ensnare and cheat the peasants. These malpractices of trades and departments compromised the interests of peasants. Problems like these must be corrected as soon as possible. In assisting agriculture, all trades and departments should first modify their work guidelines, concepts, and work plans.

The second aspect is to correctly handle the relationship between central and departmental work. Rural work is closely related to all departments, trades, and professions. All trades and professions should find ways to gear themselves to rural areas and serve grass-roots units there. Therefore, I think all trades, professions, and departments should assign people to join rural working groups so as to enhance their presence in rural grass-roots units. Having accomplished the central work, they will be able to promote work in their respective trades, professions, and departments. Success in central work will give impetus to the work in all trades, professions, and departments. Besides, the efforts to gear themselves to and serve the grass roots will also greatly help promote the building of a clean government and rectify unhealthy practices.

The third aspect is that practical actions should be taken to support agriculture. At present, the most important task is to earnestly implement the guidelines of the circular issued by the regional party committee and the regional people's government on organizing rural working groups, and to mobilize rural cadres to take part in the work of these working groups. Supporting agriculture and assigning cadres to work at the grass roots should be regarded as an extraneous work or an excessive burden, but should be looked upon as a bounden duty and a honorable mission. All party committees, departments, and units should mobilize and organize cadres at all levels to take part in rural work. This will serve as an ideological education for the many cadres and workers designed to arouse their concern and attention for agriculture, and strengthen agriculture as the foundation of the economy. Besides, we should make sure that a sufficient number of good quality cadres and backbone workers, who are politically firm and who have acquired a certain level of policy understanding and ability, is assigned, in rotation, to rural working groups to provide wholehearted support for this work. In particular, leading cadres at and above the county and department level as well as reserve cadres of all departments should be the first to head for rural areas to support agriculture and take the lead in accomplishing the central objectives laid down by the central authorities and the regional party committee for rural work.

V. Effectively Strengthen Leadership Over Rural Working Groups

Organizing huge rural working groups to work at the grass roots involves the question of strengthening leadership. An office was established under the regional leading group for rural work. This is the department which will handle overall work. It should be responsible for strengthening leadership. The major responsibilities of this office are to: 1. Exercise supervision and conduct inspections to make sure that all prefectures, autonomous prefectures, and working groups are implementing the decisions adopted by the regional party committee and the regional people's government on rural work during this winter-spring period; 2. Promptly notify the prefectures, autonomous prefectures, and working

groups of related directives issued by the higher authorities, and issue the planned arrangements and guidance opinions for the work in various stages and fields; 3. Promptly summarize and analyze information reported by the various localities, and capture the needed information that can be used by the leadership in making decisions; 4. Exchange experiences, discover model examples, and use the experiences gained from selected units to guide the work in a wider area; 5. Coordinate the relationship between all relevant departments, and solve the practical problems experienced by all localities in winter and spring farming and stockbreeding; 6. Strengthen its connection with the propaganda and organization departments as well as the pilot units for reform to ensure good coordination; and 7. Improve the ideological and organizational setup of the working groups. The work of the office requires a high sense of responsibility, good efficiency, and the ability to fully develop the comprehensive functions of management, supervision, and coordination.

The office of the regional leading group for rural work and the party committees of all prefectures, autonomous prefectures, counties, and cities should make meticulous efforts to ensure successful organization of this work. They should conduct concentrated training for cadres assigned to rural working groups, improve coordination between the lower and the higher authorities, and make sure that cadres assigned to work at the grass roots arrive at their respective work posts without delay. Party committees and governments of all counties should do a good job of receiving office cadres assigned by the autonomous region and the various prefectures and autonomous prefectures. Rural working groups should also start work as soon as possible.

It is necessary to acquire study materials for guiding rural work and conducting propaganda and education among the masses. Besides, the office of the regional leading group for rural work should persuade the departments concerned to earnestly attend to the education in socialist ideology in rural areas and to the establishment of grass-roots organizations. It should also provide guidance for the three experimental projects for rural reform. Experiences gained from the pilot units should be used to guide the overall work of the rural working groups.

Improving the style and method of leadership is an extremely important aspect for strengthening leadership over rural work. Rural working groups also should improve their style and method of leadership. Based on the experiences gained from the work of rural working groups in Xinjiang in the previous stage, the following points are presented: 1. The work emphases must be highlighted. There must be specific requirements on what the major tasks of each working group are. Concrete plans should be made and thoroughly implemented; 2. Responsibilities should be discharged. The system of responsibility tied to job objectives should be

instituted, and each leader and member of the working group is required to fulfill a task; 3. Results of work should be subjected to rigorous inspection before acceptance by the higher authorities. Working groups should make arrangements for and conduct inspections on the work of their subordinate work teams. In accordance with the five tasks laid down by the regional party committee for the working groups, we should set standard requirements for accepting the results of the work they have accomplished. When the working groups completed their work, local county party committees should conduct a unified test on the acceptability of their work. Leading cadres of party and government organs as well as the working groups should reach out to the grass roots; sincerely listen to the opinions and requests of grass-roots cadres and peasants, as well as cadres of the working groups; enthusiastically help them solve practical problems; and provide guidance for this work in light of the actual situation. We believe that as long as we persist in this work, we will definitely achieve good results, successfully accomplish the tasks of the working groups, further improve rural work in the autonomous region, and create a new situation in agriculture and rural work in Xinjiang in 1991.

Xinjiang Oil Output Increases During 7th Plan

OW1901182691 Beijing XINHUA in English
1432 GMT 19 Jan 91

[Text] Urumqi, January 19 (XINHUA)—The oil output of northwest China's Xinjiang Uygur Autonomous Region recorded an annual increase of 6.36 percent during China's Seventh Five-Year Plan (1986-90).

The region produced 30.61 million tons of oil during the period, a 41.5 percent increase over the previous plan period, a local government official said.

The annual output of oil went up from 4.99 million tons in 1985 to 6.8 million tons last year, the official said.

Xinjiang Gold Production Exceeds 1990 Targets

OW2101142991 Beijing XINHUA in English
1323 GMT 21 Jan 91

[Text] Urumqi, January 21 (XINHUA)—The gold output of northwest China's Xinjiang Uygur Autonomous Region exceeded state targets for 1990, up a dramatic 67.4 percent over 1989.

A regional gold bureau report released on January 15 revealed that this large increase in production was an all-time high.

The region now has 26 gold mines, both large and small, and it now ranks ninth amongst all gold producing regions in China.

CPPCC Vice Chairman Discusses Reunification

OW1801211391 Beijing XINHUA Domestic Service
in Chinese 0231 GMT 18 Jan 91

[Text] Beijing, 18 Jan (XINHUA)—Cheng Siyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], has written an article entitled "Accomplish the Great Cause of Reunification Through Exchanges Between the Two Sides of the Strait," for a newspaper column: "Exchanges of Words on the Occasion of Bidding Farewell to the Old Year and Ushering In the New."

In the article Cheng Siyuan said: Last year was one of vigorous development of relations between the two sides of the strait. Although the Taiwan authorities have adopted various measures to cool down the "mainland fever" whipped up by Taiwan compatriots, Taiwan compatriots, longing for the motherland and bravely breaking through manmade barriers, have come to the mainland like rivers flowing to the sea. This proves that the saying "situations prevail over people" is indeed true.

The article holds that the development of relations between the two sides of the strait is the outcome of the common efforts of compatriots on both sides and is also the inevitable development of China's history. This is because no one can stop the general trend and popular feeling.

Cheng Siyuan expressed the hope that more people of various circles in Taiwan would come to the mainland to see for themselves. After 40 years of construction and 11 years of reform and opening to the outside world, the mainland has established a whole range of highly sophisticated enterprises that cannot be compared to Taiwan's processing industries. After seeing the mainland, Taiwan compatriots will have a better understanding of it, love it more, and approve of reunification. He said: Some people have put forward the theory that "reunification should come at a time when living standards on the two sides are almost the same." After seeing the mainland, I think they will talk nonsense no longer. Cheng Siyuan then analyzed development on the mainland. He said: A good investment environment and a multilayered open pattern—including special economic zones, open cities, and economic development zones—have taken shape in the mainland's coastal areas. At the same time, the mainland has adopted some preferential measures to strengthen exchanges between the two sides of the strait and to increase ties with Taiwan compatriots and people of all circles on the island. He expressed the hope that people in industrial and commercial circles on Taiwan would come to inspect and visit the mainland and for investment and trading purposes so as to build the motherland into a better country. This will benefit both sides.

'Talk' Says Independence Movement Affects Ties

OW1901165091 Beijing in Mandarin to Taiwan
0205 GMT 18 Jan 91

[By Ming Liang; from the "Rambling Talk on Current Events" program]

[Text] Dear listeners: Recently the independence movement wave on the island of Taiwan has surged. After the adoption on 7 October of a motion by the Democratic Progressive Party [DPP] on the de facto independence of Taiwan's sovereignty, the DPP Central Executive Committee on 14 November adopted another motion on the formation of the "Taiwan Independent Sovereignty Movement Committee," raising the level of expression of Taiwan independence from words to deeds. It came to a climax following a series of DPP activities on Taiwan independence.

Dear listeners: The surge in the strength of the Taiwan independence movement not only harms social stability and economic development on Taiwan, but also affects relations across the strait, as well as the whole situation. As a result, experts, scholars, and people from all walks of life in Taiwan poured out their views, attacking the DPP's words and actions on the independence of Taiwan.

In its editorial on 16 November, Taiwan's LIEN HO PAO stressed that the Taiwan issue is actually one part of the China issue. The current development in the whole situation is a China issue, and there is no Taiwan issue. The DPP's position on the de facto independence of Taiwan's sovereignty is an irresponsible one that lacks and contravenes the popular will. CHUNG KUO SHIH PAO warned DPP personages that, judging from the present state of affairs in Taiwan, there is no future for the Taiwan independence movement.

Personages from Taiwan legal circles not only lashed out strongly at the DPP's stand and actions concerning Taiwan independence, but also called on the Taiwan authorities to stop ignoring them and to deal with them sternly in accordance with the law.

Dear listeners: Judging from recent public media and opinion polls in Taiwan, 70 percent of the Taiwan public opposes the independence of Taiwan. Only less than 10 percent approve of it. Apparently, the independence movement has no public support in Taiwan, but activities in recent years undertaken by some DPP figures in connection with the independence of Taiwan have become increasingly rampant. From the adoption of the resolution on the independence of Taiwan's international sovereignty at the Second DPP Congress to the "Draft Constitution of the Republic of Taiwan" put forward by the "New Country Alliance," which is formed by some members of the New Tide Faction, and from the adoption of the motion on Taiwan's de facto sovereignty at the Second Plenary Session of the Fourth DPP Central Committee to the present formation of the Taiwan Independent Sovereignty Movement Committee, the activities of the DPP in this respect have reached their peak. One must say that this has important relevance for the Taiwan authorities.

The Taiwan authorities verbally object to the independence of Taiwan and have openly stated on many occasions that anyone engaged in activities related to the independence of Taiwan will be punished, but much is said and little done. In fact, there are only words and no

deeds. In reality, it has adopted the attitude of noninterference and connivance toward Taiwan independence activities. Why is it that the Taiwan authorities are acting feebly against the Taiwan independence movement and that their words differ from their actions?

I believe one of the reasons the Taiwan authorities oppose independence is in order to uphold and protect the Kuomintang's [KMT] legally constituted authority. All of us know that the KMT retreated to Taiwan in 1949 after being defeated in the civil war which it started. The so-called Republic of China has been overthrown. During the 1970's, the KMT authorities were expelled from the United Nations. Japan and the United States restored relations with China. Presently, a majority of countries in the world recognize the Government of the People's Republic of China as the sole legitimate government representing the whole of China and Taiwan as a sacred and alienable part of China. The illegally constituted foundation of the KMT authorities has not existed for years. The three main bodies—the National Assembly, the Legislative Yuan, and the Control Yuan—utilized by the KMT to protect its illegally constituted authority in Taiwan, are all made up of members and representatives elected by the KMT on the mainland 40 years ago. They long ago lost their basis for existence and have become targets of attack by many people. Some people who advocate Taiwan independence have used this opportunity to demand power and privileges from the KMT in order to increase their bargaining chips at the game of dividing the political cake.

The main issue lies in the fact that the KMT authorities, while opposing the Taiwan independence movement, also want to maintain their legitimacy. In this way, they are obstructing the nation's peaceful reunification and continuing to separate Taiwan from the mainland. This is why they are in such an absolutely awkward situation.

Under the KMT's current mainland policy, sovereignty is separated from administrative authority. In reality, this policy is no different from the advocacy of the proponents of the Taiwan independence movement, who assert that Taiwan enjoys de facto sovereign independence. Thus, while the Taiwan authorities want to repudiate the Taiwan independence movement, they have to refrain from taking action for fear that they may become its target. Since they cannot firmly oppose the Taiwan independence movement, they certainly cannot come up with any effective measures.

Listeners, in recent years, the Taiwan authorities have been intensifying their promotion of two Chinas, or one China and one Taiwan, while attempting to obtain the international community's dual recognition. This being the case, its policy of repudiating the Taiwan independence movement lacks necessary support. This is another important reason why Taiwan authorities have been impotent in opposing the Taiwan independence movement.

In fact, specifically because the Taiwan authorities want to retain their sovereignty in a small part of the country, they

have long been engaged in separating Taiwan from the mainland and legitimizing their sovereignty over Taiwan. Thus, internally they still uphold the three-no's policy; insist that mainland-Taiwan relations must be nongovernmental, one-way, and indirect; and have been trying all possible means to suppress and cool down all sorts of mainland crazes being spontaneously generated in Taiwan. Externally, they have been trying to acquire what they call international sovereign status and diplomatic breakthroughs. In an attempt to create two Chinas, they have been openly pushing their flexible diplomacy and dual recognition, using large amounts of money to buy or lure small countries into establishing or restoring so-called diplomatic relations with them. This has abetted the Taiwan independence movement. Some leaders of the Taiwan independence movement have openly stated that the KMT's two Chinas policy is the policy of the Taiwan independence movement. Since the KMT's current policy is similar to the objectives of the Taiwan independence movement, the Taiwan authorities cannot help worrying that their opposition to the movement may cause them problems. Thus, although the Taiwan authorities have declared that proponents of the Taiwan independence movement will be dealt with according to the law, they really can do nothing about them. This is precisely why Taiwan's higher court recently acquitted Luo Yishi, who openly advocated Taiwan independence.

Listeners: Taiwan's relatively rapid economic growth over the past 40 years has everything to do with Taiwan's social stability. However, if the Taiwan authorities take a laissez-faire attitude toward the development of the Taiwan independence movement and permit it to undermine Taiwan's social stability, then not only will Taiwan be the first to suffer, the mainland-Taiwan contradictions also will be exacerbated, and the harmonious mainland-China relations will be undermined, and that will cause disasters in Taiwan. It is hoped that the Taiwan authorities will realize this soberly.

'Talk' Says Independence Movement 'Untenable'

OW2201195991 Beijing in Mandarin to Taiwan
0205 GMT 21 Jan 91

[From the "Rambling Talk on Current Events" program]

[Excerpts] Listeners, Taiwan's LIEN HO PAO recently published six editorials calling on people on both sides of the Taiwan Strait to join hands in promoting China's peaceful reunification. The editorials firmly supported the One China policy and opposed territorial division. This shows that people from all walks of life inside and outside the Kuomintang [KMT] support China's peaceful reunification. [passage omitted]

Among Taiwan's 20 million people, more than 1.6 million have come to the mainland to visit their families or for sightseeing. According to Taiwan's Ministry of Economic Affairs, mainland China is now the top recipient of Taiwan's investment, the amount of money Taiwan has invested on the mainland has far exceeded

other countries' investments, and the number of investment projects from Taiwan has exceeded the total number of investment projects from Southeast Asian countries. [passage omitted]

What constitutes this situation and trend? There is only one answer: Relations between the mainland and Taiwan. Specifically because of such relations, countrymen on both sides of the strait are close to one another, and no one can sever their close ties. When Taiwan was occupied by foreign aggressors, countrymen in Taiwan rose up bravely to defend their homes and country; today they are even more eager to build China into a unified, strong country. Qiu Zhengyi [Chiu Cheng-i], spokesman for the Taiwan's Presidential Office, also said that only three to five percent of people on Taiwan support Taiwan independence. The proponents of the Taiwan independence movement proclaim that the movement has become the common goal of countrymen in Taiwan. This is simply a lie. Specifically because of such irresistible popular feelings, the Taiwan authorities must liberalize their mainland policy, even though they still cling to their three no's policy. Subsequently, mainland-Taiwan contacts have become increasingly frequent, and more high-level personnel are visiting one another. These are activated political contacts. In fact, dialogue has begun on certain issues.

The Taiwan independence movement is also rejected by some party members within the Democratic Progressive Party [DPP]. DPP leader Lin Zhengjie [Lin Cheng-chieh] did not attend the DPP's fourth plenary session—in which the resolution proclaiming Taiwan's de facto sovereign independence was adopted—in order to signal his firm opposition to the resolution. Some papers in Taiwan also have pointed out that if DPP insists on upholding Taiwan independence and disregards Taiwan countrymen's aspirations for reunification, it is doomed to be rebuffed by the people.

Listeners, the Taiwan independence movement is also untenable from the perspective of international law. We need not go far to find an answer. The international community clearly stated after World War II that Taiwan was part of China, and it still upholds this stand. It has never acknowledged that Taiwan is an independent sovereign state. Moreover, the United Nations and international law will never support or encourage any separatist act that might undermine a country's territorial integrity, independence, and sovereignty. [passage omitted]

Although the Taiwan authorities clearly understand that Taiwan does not have the means to become independent and that China must be reunified, they still firmly adhere to the three no's policy, discourage mainland-China exchanges, and do everything possible to delay the reunification process in order to maintain the status quo so they can exercise sovereignty over a small part of the country. [passage omitted]

We hope that if the Taiwan authorities genuinely support national reunification they will no longer procrastinate,

but take real action. First, they should renounce the idea of exercising sovereignty over a small part of the country, replace the three no's with the three links, and promote mutual trust. Second, they should deal harshly with the Taiwan independence movement. Only by doing so can people on the two sides of the strait proceed hand in hand on the broad path toward peaceful national reunification.

Commentary Notes Expanding Agricultural Exchanges

OW1801082291 Beijing in Mandarin to Taiwan
1500 GMT 15 Jan 91

[Station commentary: "New Breakthrough in Agricultural Exchanges Between the Two Sides of the Strait"]

[Text] According to the 10 January issue of Taiwan's ZHONGGUO SHIBAO [CHUNG KUO SHIH PAO], Huang Zhenghua [Huang Cheng-hua], director of the Asian Farming Center, who recently visited China, said: Fujian Province will become a starting point for agricultural exchanges between two sides of the strait. In May, a number of Taiwanese experts will leave for Fujian's Fuqing and Dongshan Counties to help these localities grow oranges, mushrooms, and asparagus and breed shrimp, and to impart processing technology. They also will help establish an agricultural technology training center in Fuqing County.

According to the report, Fujian now is stepping up the establishment of an agricultural investment zone for Taiwan businessmen on Dongshan Island. It also set up an export-oriented agricultural experimental zone with an area of more than 1,000 hectares on Dongshan Island. Fujian also plans to sponsor a large exhibition of Fujian's achievements in the comprehensive development of agriculture in Fuzhou this month. Many foreign and Taiwanese businessmen will attend this exhibition. The establishment of a foundation for agricultural technology exchange between Fujian and Taiwan also is being considered. Fujian's agriculture will open itself to the outside world. The prospects for the joint development of agriculture between the two sides of the strait are bright.

As early as last year, Taiwan and Fujian made contacts regarding agricultural exchanges and cooperation. Now both sides have reached an initial agreement in the sphere of processing farm produce and aquatic product breeding. At present, the more than 40,000 mu of farmland on Dongshan Island yield 27,000 tons of farm produce. Dongshan Island is one of the biggest farm product export bases on the mainland. With more than 10,000 mu of breeding ponds, aquatic product breeding also is developing rapidly on the island. Dongshan Island exports a considerable amount of shrimp every year. Formerly, Taiwan developed its farm produce processing and aquatic industry in islands in the South China Sea and as far away as New Guinea, which made shipping costs expensive.

Economic benefits naturally will increase greatly in the joint development of Dongshan Island, given its geographical proximity to Taiwan. Taiwan's [word indistinct] issued a statement on 11 January that the concept of the joint development of agriculture will serve as a cross-sea bridge for bidirectional exchanges between the two sides of the strait. Indeed, the development of bidirectional exchanges, the strengthening of cohesive forces, and the minimizing of misunderstandings between the people on the two sides of the strait surely will contribute to the peaceful reunification of China. A gratifying atmosphere has existed between the two sides of the strait since the 1970's. For a long time, Dongshan

Island was an outpost for coastal defense because of the hostility between the two sides of the strait. As people on the island could not devote their efforts to developing the economy, Dongshan Island was one of the poorest counties in the nation. Now the tension between the two sides of the strait has eased. As a result, economic and trade cooperation between the two sides of the strait is developing. Both sides reap the benefits of this cooperation. Understanding the close relationship between the two sides of the strait, people on both sides are making eager and urgent calls for expanding civilian exchanges. Their calls indeed are in accord with the tide of the times.

President Tours Military Units, Comments on Gulf

OW2001192491 Taipei CNA in English 1546 GMT
20 Jan 91

[Text] Taipei, Jan. 20 (CNA)—President Li Teng-hui said Sunday that Iraq's Aug. 2 invasion of oil-rich Kuwait told the world that wealth itself does not guarantee a nation's security.

"In a word, security is the foundation of a nation's development and progress," Li said during his whirlwind visit to a missile unit in northern Taiwan.

The Kuwaiti incident indicates that "only self-reliance can ensure security" when a country encounters a "life and death situation," Li continued.

Li also visited a naval base, an air base, and coastal guard units in the company of Gen. Chen Shing-linh, chief of the General Staff; Chiang Chung-ling, personal chief of staff to the president, and other ranking military officers.

The president pointed out that the military operations being launched against Iraq by the U.S.-led international forces to drive Iraq out of Kuwait simultaneously sends a strong signal to all countries and regimes that aggression will be punished by the international community.

Today the use of force, Li noted, is no longer tolerated by the international community as a way to solve disputes and to fulfill expansionist goals.

Premier Visits Kinmen Island, Inspects Troops

OW2101091891 Taipei International Service
in English 0200 GMT 20 Jan 91

[Text] Premier Hao Po-tsun on Saturday arrived on the ROC's [Republic of China] frontline island of Kinmen to inspect military preparedness there and extend the best wishes of President Li Teng-hui.

In speaking with high-ranking military officials on Kinmen, Hao said that this year is a turning point for the ROC and that the government will continue to work hard to promote constitutional reform and economic development. However, all of these plans rely on having a stable and safe society for them to be played out. He pointed out the example of the Iraq's invasion of Kuwait last August, in reminding ROC's citizens that rich nations without a strong defense are not able to survive. Hao said that the ROC Government has protected Taiwan, Penghu, Kinmen and Matsu over the past 40 odd years from communist threats primarily by maintaining a strong defense. The premier expressed his thanks to the frontline troops who have been on the alert and have upped military preparedness since the war in the Gulf has erupted and lauded their efforts to protect the ROC. Hao said that if one day hostilities between the two sides of the Taiwan Straits break out, all residents of the ROC must be united in repelling the enemy. He praised the patriotic spirit of the

soldiers and said that their work to protect the safety of Taiwan is the basis on which future development of the ROC will be based.

After inspecting military installations on Kinmen, Hao returned to Taiwan in the afternoon.

Defense Minister Says Armed Forces on Full Alert

OW2101035391 Taipei CNA in English 0242 GMT
21 Jan 91

[Text] Taipei, Jan. 21 (CNA)—National Defense Minister Chen Lu-an said Sunday that since the Gulf war broke out last Wednesday, the armed forces of the Republic of China [ROC] have been on full alert to deter any possible Chinese Communist military attempts.

Chen was speaking at the Chinese television service headquarters on the Gulf war and the subsequent responses of the ROC armed forces.

Fears have been raised that the Chinese Communists could be encouraged by Saddam Husayn's invasion of Kuwait to attack Taiwan.

Possibility of war across the Taiwan Strait is there, "but there is certainly no parallel between Taiwan and Kuwait in terms of their defense capabilities," Chen stressed.

Unlike Kuwait, which had only a tiny military force, the Republic of China has powerful armed forces whose combat readiness can cope with any military attempts from the Chinese Communists, a confident Chen said.

Even though the Gulf war has shown that high-tech weapons will play increasingly important roles in future wars, it does not necessarily mean that the Chinese Communists will pattern an attack on Taiwan, after the US-led international force now attacking Iraqi forces, Chen pointed out.

For instance, Chen said, the Chinese Communists could send thousands of "boat people" to Taiwan to cause social disturbances on the island.

In fact, the tactic is already in action, Chen said. The Chinese Communists are either tacitly tolerating the smuggling into Taiwan of thousands of illegal mainland immigrants or are covertly organizing the illegal entries, Chen said, citing information compiled by military agents.

With an ever changing manpower structure, Chen continued, the ROC armed forces are instituting a "crack troop policy." An increasing number of women will also be permitted to serve in the army during the next 10 years, he added.

Antiwar Protest at Taipei American Institute

OW1901190891 Taipei CNA in English 1531 GMT
19 Jan 91

[Text] Taipei, Jan. 19 (CNA)—About 20 people Saturday demonstrated in front of the American Institute in

Taiwan [AIT], asking the United States to immediately cease fire in the Persian Gulf.

The demonstrators, mostly Labor Party members and human rights advocates, also urged the United Nations to hold a Middle East peace conference.

Holding placards and banners, they marched in front of the AIT compound in Taipei. The police told them to stop because they had not applied for a permit for the activity.

The 50-minute demonstration ended after a letter of protest had been delivered to the AIT.

Citizens in Jordan Evacuated to Cyprus

OW1901191791 Taipei CNA in English 1536 GMT
19 Jan 91

[Text] Taipei, Jan. 19 (CNA)—The first group of Republic of China [ROC] citizens stranded in the Middle East after the outbreak of war in the Gulf were evacuated from Jordan to Cyprus Saturday, the Ministry of Foreign Affairs said.

The evacuees included 40 RET-SR Engineering Agency employees and 40 aliens working for the company.

They arrived in Cyprus from Amman by a chartered plane Saturday evening (Taipei time), the ministry said. The ROC representative office in Cyprus will take care of them, it added.

A RET-SER spokesman in Taipei said his company's employees will stay in Cyprus for some time. If the war ends swiftly, he said, they may return to their work in Jordan. If the war drags, some of them will return to Taipei and the others may [words indistinct] to work for the company's projects there.

A Foreign Ministry spokesman said Cheng Po-chiu, ROC representative in Jordan, and his three colleagues will remain on their posts.

The spokesman reported that five ROC agriculturists, eight RET-SER employees and two TV reporters from Taipei are still stranded in Bahrain. They will leave the city-state as soon as its airport is reopened. ROC Representative in Bahrain Wang Jui-fang and one staffer will stay.

As for those working in Saudi Arabia, the official said, the Saudi Government has agreed to issue them permits. They will be flown back home when the airport in either Jiddah or (Riyadh) is reopened, he said.

Evacuation of Nationals From Mideast Postponed

OW2201191791 Taipei International Service
in English 0200 GMT 22 Jan 91

[Text] The Foreign Affairs, Economic, and Defense Ministries held a meeting on Monday and decided that the evacuation of ROC [Republic of China] nationals from the Middle East will be called off for the time being. The

officials cited that the detection of Iraqi missiles by the U.S. Patriot missile system, the closure of the Saudi civil airport, and the request by only two of the more than 100 ROC nationals in Saudi Arabia to leave [words indistinct] the decision. In addition, the cost to send a China Airlines' plane there would be roughly \$100 million NT [New Taiwan] dollars. Therefore, the officials decided that the evacuation mission at the moment would be inappropriate. The China Airlines' plane has been waiting at the CKS [Chiang Kai-shek] Airport in Taipei for the past week to receive the go-ahead to fly to the Middle East to evacuate the ROC nationals. In addition, by the end of the month, an ROC cargo freighter will be in Bahrain and will pick up any ROC national that wishes to leave the region at that time.

Cash, Medical Equipment Donated to Turkey

OW2101175291 Taipei CNA in English 1558 GMT
21 Jan 91

[Text] Taipei, Jan. 21 (CNA)—The Republic of China [ROC] donated 2 million U.S. dollars in cash and 3 million U.S. dollars in medical equipment on Jan. 16 to Turkey, one of the frontline countries hardest hit by the Gulf crisis, the Ministry of Foreign Affairs said Monday.

The donation was part of a 30 million U.S. dollars ROC program to help relieve burdens of the most affected countries in the Gulf crisis.

Turkey's Deputy Health Minister Ferhan Ozmen received the donation on behalf of the Turkish Government from the ROC representative in Turkey Yi Ming-yeh at a ceremony in the Turkish capital of Ankara.

Ozmen said friendly relations between the two countries have been cordial and the ROC aid will help strengthen ROC-Turkey relations.

The Republic of China, based on humanitarian considerations and a desire to share international responsibilities, decided last September to offer [figure indistinct] million U.S. dollars aid to Jordan, Turkey and Egypt whose economies have been hard hit by the Gulf crisis resulted from Iraq's occupation of Kuwait since last Aug. 2.

Trade Board Asserts Trade With Iraq Halted

OW2301043491 Taipei CNA in English 0239 GMT
23 Jan 91

[Text] Taipei, Jan. 23 (CNA)—The Board of Foreign Trade (BOFT) said Tuesday that it had stopped issuing export permits to Republic of China [ROC] businessmen trading with Iraq late last year.

"ROC businessmen cannot possibly have traded with Iraq," BOFT said in response to a United States concern that some ROC businessmen had been doing business with Iraq.

BOFT said it had checked the five companies suspected by the United States and found that they had received export orders from Saudi Arabia, Iran, and Jordan.

Export statistics show that since September 1990, ROC exports to Iraq have come to a standstill, BOFT added.

Talks Sought With USSR on Aviation Rights

OW2201152391 Taipei CHINA POST in English
12 Jan 91 p 12

[Text] The escalating tensions in the Persian Gulf have served to deepen the determination of the Ministry of Communications to negotiate with the Soviet Union over the exchange of aviation rights so that the China Airlines (CAL) can refuel in the Soviet Union instead of Mideast cities for flights to Europe.

CAL, the ROC's [Republic of China] national flag carrier, should either use Mideast cities as stopovers or make a large detour for flights to Europe. Currently it cannot fly over Mainland China or the Soviet Union, an official with the communications ministry said.

In order for CAL's Europe-bound flights to have more stopovers in areas other than the Middle East, the communications ministry has relayed to Moscow its intent to negotiate the exchange of aviation rights, the official said.

The Cabinet recently approved CAL's application to cooperate with Aeroflot, the Soviet's national carrier, in both cargo and passenger flights between Taipei and Moscow, marking a major breakthrough in ties between both sides.

The official said that his ministry hoped for a further breakthrough in aviation links with the Soviet by the end of the year.

Soviet Premier Says PRC Pressure Thwarts Trade

OW2101160891 Taipei CHINA POST in English
17 Jan 91 p 6

[Text] The newly-appointed Soviet Premier Valentin Pavlov warned that Peking's political pressure will remain the major obstacle thwarting ROC [Republic of China]-Soviet trade ties, the Chinese-language UNITED EVENING NEWS yesterday.

"Looking at the trade development between Taiwan and the Soviet Union, some unsolved political problems (Peking's pressure) will be the biggest obstacles," Pavlov said in an interview with the NEWS last November.

An expert on Soviet issues said the Monday appointment of Pavlov ensures that the Kremlin will safeguard its official ties with Peking, under which conditions Taipei should be careful in its expansion of trade ties.

Trade ties between the Republic of China and Soviet Union have improved in the past year due to Moscow's

opening up of its markets and the growing bilateral interaction, including the visit of Moscow Mayor Gavril Popov here last October.

But Pavlov warned such detente is facing major obstacles from Peking. "Moscow and Taipei have no official ties. Most of the bilateral trade currently engaged in are in an indirect manner," the premier-appointed said.

"We do not want to agitate Peking..." said another Soviet political heavyweight. "Moscow has to be especially cautious" while dealing with the triangle relations between Taipei, Moscow and Peking.

In contrast to cautious remarks by Moscow officials, the ROC government seems to be more optimistic about the two-way trade. Taiwan exported U.S.\$59 million worth of wares to the Soviet Union last year.

Finland To Open Taipei Trade Office

OW2201150991 Taipei CNA in English 1110 GMT
22 Jan 91

[Text] Taipei, Jan. 22 (CNA)—Finland is scheduled to open a trade office in Taipei Feb. 1 to beef up trade cooperation with the Republic of China.

Partners of the trade office, named the Finland Industrial and Transportation Representative Office, include eight leading Finnish enterprise groups and government agencies, trade sources here said Tuesday.

The office will also help bridge trade ties between the Republic of China and the Soviet Union, the sources said. Finland, with its rich experience in trading with the Soviets, has always been an important trade partner with the Soviet Union.

Ms. Tvara Kuokkanen, a veteran official familiar with Southeast Asian trade affairs, has been appointed the first director of the Finnish Taipei office, the sources said.

Panamanian President Receives Taiwan Ambassadors

OW2301043691 Taipei CNA in English 0349 GMT
22 Jan 91

[Text] Panama City, Jan. 22 (CNA)—Panamanian President Guillermo Endara received Tuesday at the Presidential Office the Republic of China's [ROC] Ambassador Sung Chang-chih, wishing him health and happiness after satisfactorily accomplishing his diplomatic mission in Panama.

President Endara said that he feels sorrowful for that Ambassador Sung is to leave Panama. However, he affirmed that the existing close and friendly relationship between the ROC and Panama would not change due to the absence of Sung in Panama.

Endara highly praised Sung for his contribution to the promotion of relations and cooperation between the two nations, saying that it would be remembered by Panamanians forever.

He also asked Sung to convey his regards and gratitude to President Li Teng-hui, thanking him for the assistances extended by the ROC to Panama.

Ambassador Sung told President Endara that his visit was aimed at bidding farewell and thanking Endara for the support and cooperation in practicing his diplomatic missions.

Sung said that the ROC highly appreciates the friendship and is willing to share her development experiences with Panama. He assured President Endara that he would continue dedicating his efforts to the promotion of ROC-Panamanian ties after returning to Taipei.

He also introduced the ROC's Ambassador designate Su Ping-chao to President Endara, describing him as an outstanding career diplomat with extensive knowledge on Latin American affairs. With the presence of Ambassador Su in Panama, the ROC-Panamanian relations should be further strengthened, he added.

Sung has been designated by the ROC Government for a new post and is scheduled to leave Panama for home next Thursday.

In recognition of his great contribution to the promotion of the ROC-Panamanian relations, the Panamanian Government conferred last week the Medal of Vasco Nunez Balboa with Grand Cordon on Ambassador Sung, the highest honor for the foreign diplomat.

Temporary Customs Agreement Signed With EEC

OW2001185691 Taipei CNA in English 1529 GMT 20 Jan 91

[Text] Taipei, Jan. 20 (CNA)—A temporary customs clearance agreement has been signed between the Republic of China [ROC] and the European Economic Community and is expected to become effective soon, trade officials said Sunday.

The agreement is expected to further strengthen bilateral trade relations as the Republic of China hopes to increase its trade with the emerging European single market, officials said.

According to ROC customs statistics, ROC exports to the EEC reached 10.73 billion U.S. dollars last year, a growth of 11.3 percent over 1989. ROC imports from the EEC registered 7.26 billion U.S. dollars, up 11.1 percent.

A Republic of China delegation led by Sheu Ke-sheng, director general of the Board of Foreign Trade, left for London last Wednesday to attend the ROC-Europe economic and trade consultations.

During the consultations, the trade officials added, the delegation formally requested the EEC to support the ROC's application to join the General Agreement on Tariffs and Trade.

Diplomats Warned on PRC's East Africa Ties

OW2201190391 Taipei International Service in English 0200 GMT 22 Jan 91

[Text] Foreign Minister Fredrick Chien has asked ROC [Republic of China] diplomats to closely watch for possible changes in eastern Africa after Communist China's Foreign Minister Chien Chi-chien [Qian Qichen] visited there on January 5th. Chien made the request at a conference he held in Swaziland for Taiwan's diplomats and representatives in Africa to discuss diplomatic affairs in the region. Chien is visiting South Africa and Swaziland, and he is the first ROC foreign minister to visit Africa in 10 years.

According to a Foreign Ministry official, Peking Chien Chi-chien's visit to Eastern Africa has resulted in a secret agreement with Ethiopia, Kenya, Tanzania, and Uganda. The official said that mainland promised to give more than \$20 billion dollars to the four countries in economic assistance as long as they promise not to develop substantive ties with Taiwan. ROC Minister Chien said that Peking's money diplomacy is the biggest obstruction to ROC foreign affairs. The ROC already maintains diplomatic ties with six African nations and is looking to further develop ties with others in the future.

Numbers of Illegal Mainland Immigrants Increase

OW2101035591 Taipei CNA in English 0250 GMT 21 Jan 91

[Text] Taipei, Jan. 21 (CNA)—Since the Red Cross Societies on both sides of the Taiwan Strait began cooperating last October in repatriating illegal immigrants, 394 mainland Chinese have been sent home, but another 724 are waiting to be returned, the Taiwan Garrison Command said Saturday.

The remaining mainland Chinese illegal immigrants are filling accommodation centers because the number of those sneaking into Taiwan is growing quickly while the mainland Chinese Red Cross has been delaying in accepting those due to be returned, the command said.

Many of the illegal immigrants are eager to return to the mainland as the Chinese New Year is approaching, the command said. The Chinese festival falls on Feb. 15.

The homesick mainland Chinese have gone on hunger strikes in the accommodation centers, making their management more and more difficult, according to the command.

It said Communist Chinese authorities have always tightly controlled its people, particularly those in coastal areas. However, the number of mainland stowaways arrested in Taiwan is increasing despite stepped up ROC [Republic of China] security checks and anti-smuggling efforts.

The command suspects this is the result of Peking's "indulgence."

It quoted illegal immigrants as saying that several hotels in Pingtan, Fukien Province opposite Taiwan have become "professional" intermediaries for smuggling job-seekers to Taiwan.

These hotels have a well-organized network for recruiting and transporting mainland Chinese to Taiwan, the command said.

Now a mainland Chinese trying to smuggle himself into Taiwan needs to pay brokers 1,000 renminbi, compared with 8,000 renminbi charged previously.

Even transportation has been "upgraded." The speedboats now used by the smuggling ring carry mainlanders to the western Taiwan coast in only 3-5 hours.

The Taiwan Garrison Command said that if Communist China allows speedboats to transport mainlanders to Taiwan in great numbers, Taiwan's security will be "seriously affected."

On Jan. 1 alone, the command said, as many as 109 stowaways were arrested, and 51 others were apprehended on Jan. 18. The rapidly increasing number of detainees indicates Peking's "indulgence," the command accused.

Moreover, the uncooperative attitude of the mainland Red Cross has worsened the situation. The command has asked the ROC Red Cross to obtain the cooperation of its mainland counterpart in stopping smuggling and accepting repatriates.

If there is no response from the mainland, the command said it will have to send the illegal immigrants back to the mainland aboard their own boats.

Indirect Mainland Trade Expected To Grow

*OW2301034691 Taipei CNA in English 0242 GMT
23 Jan 91*

[Text] Taipei, Jan. 23 (CNA)—Indirect trade between Taiwan and mainland China is expected to grow further as bilateral ties ease and Peking relaxes its austerity policy, Kao Chang, deputy chief of the China Mainland Division of the Chung Hua Institute for Economic Research, said Tuesday.

In the first 11 months of 1990, ROC [Republic of China] exports to China mainland via Hong Kong totaled 2,966 million U.S. dollars, a 11.37 percent increase from a year before; imports from mainland via Hong Kong totaled 685 million U.S. dollars, a 27.8 percent increase.

Total trade between Taiwan and China mainland in the first 11 months last year amounted to 3,652 million U.S. dollars, an increase of 14.12 percent from the previous year.

Kao said trade between the two sides in 1990 is expected to surpass 4 billion U.S. dollars, up about 20 percent from 1989.

He expected bilateral trade to grow further this year.

Ministry Decision on National Assembly Elections

*OW2101005191 Taipei International Service
in English 0200 GMT 19 Jan 91*

[Text] The Interior Ministry decided on Friday that in future elections for national assemblymen, the representatives should not be divided into those different territories or regions. Rather, a decision should be made on the number of people who are to be elected as national assemblymen and that the campaign starts from there.

The ministry said that the number of the assemblymen will be elected from counties and municipalities and that the numbers will be figured as the proportion of the region's population to the nation.

KMT Officials, Assemblymen Discuss Reforms

*OW2201205191 Taipei CNA in English 1550 GMT
22 Jan 91*

[Text] Taipei, Jan. 22 (CNA)—Ranking Kuomintang [KMT] officials, following a discussion Monday, continued to meet with senior national assemblymen on constitutional reforms Tuesday.

James Soong, secretary general of the Kuomintang Central Committee, told the participants that the ruling party's constitutional reform task force had made some changes in its reform proposals in response to various suggestions, but the fundamental principles on which the reforms are based are still firm.

Soong outlined the principles for the first time during Monday's discussion, which was held to solicit recommendations from senior assemblymen and to help reach a consensus among party members.

Under the principles, Soong said, any constitutional revisions should take into account the ultimate goal of China reunification.

The five-branch government system now in practice in the Republic of China should be sustained, Soong insisted.

He added that the job is to bring forth an amendment or amendments to the constitution, and not to seek to replace the current one.

Soong stressed, however, that the proposals presented by the KMT task force are merely drafts, and that they have not yet been finalized.

"The drafts will not be submitted to the Kuomintang Central Standing Committee until a consensus has been reached with all assemblymen," Soong said.

With Soong presiding, the discussion also drew Vice Premier Shih Chih-yang, deputy convenor of the task force; Kao Ming-hui, deputy secretary general of the Kuomintang Central Committee; Lin Tung, chairman of

the KMT Policy Coordination Commission, and Chen Chin-jiang, chairman of the party's Organizational Department.

CNA President Announces Computerized News System

*OW2201160291 Taipei CNA in English 1007 GMT
22 Jan 91*

[Text] Brussels, Jan. 21 (CNA)—The Republic of China's CENTRAL NEWS AGENCY has been completing an integrated, computerized news service system in Chinese and foreign languages to better its news

services for its domestic and foreign subscribers, CNA President V.T. Hung said here Monday.

Hung said this plan, using latest equipment, would enable CNA to increase news service capacity to cope with the need of its clients.

The CNA president arrived in Brussels Monday noon after a talk with the Taipei Information Center in Amsterdam, a CNA subscriber. He will inspect CNA's Benelux office before flying to Madrid where he will conclude a CNA cooperation agreement with the Spanish EFE News Agency.

Hong Kong

Zhou Nan on Sino-British Transition Cooperation

HK2301113291 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 2, 14 Jan 91

[Article by Zhou Nan, director of XINHUA Hong Kong Branch: "Seize the Opportunity; Open Up a New Horizon"]

[Text] It has been five years since LIAOWANG OVERSEAS EDITION was first published and marketed in Hong Kong. This is something that deserves celebrating. Here I send my congratulations to LIAOWANG comrades.

The LIAOWANG OVERSEAS EDITION comrades asked me to say a few words, so I wrote an article for them.

I hope that LIAOWANG OVERSEAS EDITION will play a better role in promoting the stability and prosperity of the mainland, Hong Kong, and Macao and in bringing their further understanding and exchanges among one another!

It has been nearly a year since I was assigned to work with XINHUA's Hong Kong Branch. During this short period of time, I have witnessed that as the motherland's politics and society have quickly become stable and as its economy is developing continuously, Hong Kong has become more stable and prosperous than it was a year ago. During this time, I have contacted and talked with representative persons from all Hong Kong's circles, and my impression is that the majority of them are full of confidence over the future of Hong Kong and optimistic that the "one country, two systems" can definitely be implemented.

On the Chinese side, no matter what may occur in the world, we will unswervingly act according to the Sino-British Joint Declaration and the "Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China" promulgated last year, and conscientiously implement "one country, two systems" to maintain Hong Kong's continued stability and prosperity and ensure Hong Kong's smooth transition in 1997.

The relationships between China and Britain have improved to a relatively large extent over the past year. We hope that the overall relations between China and Britain, including the cooperative relations in matters concerning Hong Kong, will be fully restored and further developed. This demands that both sides act 100 percent in accordance with the Sino-British Joint Declaration, and in keeping with its demands, consult and cooperate with each other in a friendly manner and with the expectation of good results over the smooth transition and changeover in 1997 and over matters of great importance after 1997. To this end, both sides must be sincere with each other, and in considering and handling matters they should proceed

from the maintenance of Hong Kong's stability and prosperity, from the long-term interests of Hong Kong residents, and from the long-term friendly cooperative relations between China and Britain. I believe that only when they do this will it not be difficult to resolve all divergencies that currently exist and may exist in the future. We sincerely hope to continuously maintain and develop the harmonious cooperative relations with Britain both before and after 1997. This is not only favorable to safeguarding Hong Kong's stability and prosperity, but also in keeping with the long-term interests of the peoples of the two countries.

It is heartening that the cooperative relations between the mainland and Hong Kong are getting closer and closer. In order to allow relations to further develop in a sound way, it is a demand that each side fully respect the other side's social and economic systems and lifestyle. They should not attempt to force their own systems on the other side or to change its systems. Only in so doing can they really comply with the "one country, two systems," otherwise they will conflict with and harm "one country, two systems." Moreover, we hope to see that the economic, scientific, technological, and cultural cooperation between the two sides will continue to be developed in an all-around way through their concerted efforts. We also hope that they will integrate and supplement each other's merits when cooperating with each other, raise the levels of cooperation, and improve the efficiency of cooperation. There is still great potential for further development in this respect. Developing the harmonious cooperative relations between the mainland and Hong Kong will doubtlessly bring huge interests to both sides.

Hong Kong is a diversified society, residents from all trades and professions, all walks of life, and all communities have common interests; and they have different demands, rights, and interests as well. We believe we should look after the reasonable demands and interests of all sides in a balanced way, and on this basis we should seek common ground on major issues while reserving differences on minor ones, understand and support each other, and establish harmonious cooperative relations. This is of great significance to ensuring Hong Kong's stability and prosperity as well. After the Basic Law had been promulgated, Hong Kong entered the last phase in the transition period. We hope that people of all trades and professions, from all walks of life, and from all communities in Hong Kong will vigorously concern themselves with and participate in the affairs of Hong Kong in all its aspects to create conditions and lay a good foundation for the people of Hong Kong.

The 1990's will be the crucial period to realize the motherland's socialist modernization and to reunify the motherland. General Secretary Jiang Zemin said not long ago when interviewed by Hong Kong's ZIJING reporters: Hong Kong possesses special advantages in international trade contacts, such as the markets, talented people, and management system; it is not going to lose them. Rather, it will continue to play its irreplaceable role. After 1997, Hong Kong will continue to play a special role in China's

new pattern of opening up to the outside world. During the 1990's and for a fairly long time to come, changes in the world's and China's situations will give the Chinese nation an opportunity for development. All the Chinese people should join hands and take hold of the opportunity and should open up a better future with their own hands and wisdom and strive for the vigorous development of the Chinese nation.

UK's Lilley States London Responsible Pre-1997

HK2001025091 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Jan 91 p 2

[By Jouathan Braude]

[Text] Secretary of State for Trade and Industry, Mr Peter Lilley, last night spelled out the British Government's stand that London, not Beijing, was responsible for Hong Kong in the run-up to 1997.

As a member of the British Cabinet, Mr Lilley is the most senior official to speak out in condemnation of China's claim that it alone has the right to speak for Hong Kong people.

Answering questions on his arrival at Kai Tak airport last night, the minister also promised continued British investment in the territory despite the hardline Chinese attitude.

In a forceful reminder of China's commitment to Hong Kong under the 1984 Sino-British Joint Declaration, Mr Lilley said: "It was agreed in the agreement between the two governments that the British Government remains responsible for the administration of Hong Kong during the period up to 1997."

Reaffirming that both China and Britain recognised that Hong Kong needed a new airport, he said: "All the evidence is that British investors are continuing to reinvest in Hong Kong for the long term."

The minister is expected to pledge Britain's support for Hong Kong's position in talks with the Governor, Sir David Wilson, this morning, giving him valuable backing for his tough visit to Beijing this week.

Sir David is expected to meet Chinese Prime Minister Mr Li Peng and the Director of the Hong Kong and Macao Affairs office, Mr Lu Ping, for top-level talks on the airport and the diplomatic debate over who speaks for Hong Kong. But Chinese officials are expected to repeat their demands for greater control over the airport and any other matter straddling 1997, rather than accept the Governor's view that decisions on the massive infrastructure development are a matter for the Hong Kong Government alone.

However, although Mr Lilley's main purpose was originally to learn about the airport, he will tonight cut short his scheduled three-day visit to return to London for an urgent Parliamentary debate on the Gulf War.

Meanwhile, the outcome of the Governor's Beijing talks may dictate the timing of a possible visit by the British Foreign Secretary, Mr Douglas Hurd.

Before China's demand for control of the airport development last weekend, Mr Hurd was tipped to visit Beijing and Hong Kong in April.

The visit was seen as a crucial step in Britain's campaign to lead the European Community (EC) in improving relations with China despite its poor human rights record.

Foreign Office officials have refused to confirm the April timing, insisting that no date has been fixed.

Editorial Previews Governor's Beijing Trip

HK2201093691 Hong Kong WEN WEI PO in Chinese 21 Jan 91 p 2

[Editorial: "Hong Kong Governor's Beijing Visit Draws Attention From All Quarters"]

[Text] Hong Kong Governor Sir David Wilson and Lady Wilson are bound for a Beijing visit today at the invitation of the Chinese Vice Foreign Minister Tian Zengpei. The governor's current visit draws attention from all quarters, since no progress was made at the second round of experts' talks on the airport issue and everyone in Hong Kong is discussing it.

To maintain Hong Kong's stability and prosperity in the transitional period is the common interest of both the Chinese and British sides. Sound Sino-British relations are an important condition for Hong Kong's stability and prosperity during that period. The Chinese vice foreign minister's invitation to the Hong Kong governor to visit Beijing is an act aimed at promoting Hong Kong's stability and prosperity. The mutual contacts, communication, meetings, and consultation are of positive significance no matter what differences over the Hong Kong issue exist between China and Britain. The Chinese Government has made necessary preparations for the Hong Kong governor's visit. It is believed that the Hong Kong governor also has made necessary preparations for his visit to Beijing.

The Hong Kong governor's current visit to Beijing involves a series of issues. Presently, the economic growth rates of the world's various countries have slowed. The United States, Hong Kong's major export market, has begun its economic recession. This world economic tendency has caused great difficulties in Hong Kong's economy. Although the Middle East war that broke out most recently has not had a direct impact on Hong Kong for the time being, Hong Kong will have many hard nuts to crack. Augmenting cooperation between Hong Kong and the mainland will be an effective way to dispel and find a solution to those difficulties and problems. The Chinese Government has never spared any effort and has been most willing to do all that is favorable for Hong Kong's stability and prosperity. It is expected that the Hong Kong

governor's current visit will play a positive role in economic cooperation, as well as in cooperation between Hong Kong and the mainland in other arenas.

However, the new airport issue is an important topic during the Hong Kong governor's current visit to Beijing. Whether or not his current visit will bring about a breakthrough on this issue draws attention from all quarters. The building of the new airport is a stupendous project unprecedented in Hong Kong's history. Because of the tremendously huge expenditures involved, which will continue beyond the year 1997, the British side should consult the Chinese side in all its sincerity. Certainly, such consultations should not be confined to notifications and explanations, but should include substantial data while showing respect for, listening to, and absorbing the Chinese side's opinions so its constructive ideas may find necessary expression in the plan for the new airport project, and the interests of the Special Administrative Region [SAR] and its people after 1997 may be guaranteed. The Chinese Government is duty-bound on this issue. Otherwise, how is the British side to face the SAR Government and the Hong Kong people? This being the case, should the British side fail to have a substantial change in its attitude, it will be impossible for the Hong Kong governor's current visit to achieve a breakthrough in the new airport issue. Building the airport involves the transition issue; it is very difficult for the British Hong Kong Government to decide issues of the finance and civil engineering projects of the SAR Government unilaterally with Hong Kong's sovereignty returned to China. Nothing will be accomplished without the Chinese side's support. In finding a solution to the new airport issue under such circumstances, the Hong Kong governor's prospects can hardly be bright.

It was noted that on the eve of the Hong Kong governor's visit to Beijing, Peter Lilley, the UK Secretary of State for Trade and Industry, who had just arrived in Hong Kong, held talks with Sir Wilson. When Sir David Wilson returns to Hong Kong from Beijing, Lord Caithness, the British foreign minister with special responsibility for Hong Kong, will make an official visit to Hong Kong; later, the secretary of state for foreign and commonwealth affairs will visit China. Therefore, the Hong Kong governor's current visit to Beijing will bring home some information; at the same time, it will pave the way for a Sino-British meeting on the new airport issue at a still higher level. The Hong Kong governor can hardly expect a breakthrough on the new airport issue during his current trip to Beijing. In any case, some contact is better than none. Viewing things from this angle, David Wilson's visit to Beijing is of positive significance.

Hong Kong Governor Arrives in Beijing

OW2201112091 Beijing in Mandarin to Taiwan
1500 GMT 21 Jan 91

[Text] Hong Kong Governor Wilson and his party arrived in Beijing on the afternoon of 21 January at the invitation of Chinese Vice Foreign Minister Tian Zengpei.

In his welcoming speech at the capital airport, Tian Zengpei said: Sino-British relations have seen a marked improvement in the past year. Cooperation between the two sides on the question of Hong Kong has resumed and developed gradually.

Tian Zengpei expressed the hope that Governor Wilson's visit will enhance mutual understanding and cooperation, and that good working and personal relations will be established between the governor and the Chinese vice foreign minister in their joint efforts to promote Hong Kong's stability and prosperity and its smooth transition in 1997.

During his three-day visit to Beijing, the Hong Kong governor will meet senior Chinese Government officials and responsible persons of the Hong Kong and Macao Affairs Office to discuss all issues concerning Hong Kong, including the large-scale Hong Kong Airport construction project. He expressed the hope that his meetings with Chinese officials will enhance the understanding and cooperation between the two sides.

Tian Urges Joint Effort

HK2201014391 Hong Kong SOUTH CHINA
MORNING POST in ENGLISH 22 Jan 91 p 2

[By Fanny Wong in Beijing]

[Text] The Chinese Vice-Foreign Minister with responsibility for Hong Kong, Mr Tian Zengpei, yesterday called for a joint effort between China and Britain to ensure a smooth transition of Hong Kong's sovereignty in 1997.

He made the appeal on the eve of two days of extensive talks starting today between the Governor, Sir David Wilson, and senior Beijing officials including the Prime Minister, Mr Li Peng.

Sir David, who arrived in Beijing yesterday, is scheduled to meet Mr Li tomorrow when the sensitive issue of whether China is entitled to a veto on major Hong Kong 1997-related issues is expected to be raised.

At Beijing airport yesterday, Mr Tian said he hoped Sir David's China visit could help enhance mutual understanding and co-operation on Hong Kong matters.

"Over the past year, Sino-British relations have seen considerable improvements as a result of mutual efforts. Co-operation between the two sides over Hong Kong issues is gradually resuming and developing," Mr Tian said.

Speaking on arrival in Beijing, Sir David stressed the importance of a co-operative and understanding relation with China.

Sir David said: "One thing that is very important for Hong Kong is that we should get on with building the basis for the long-term prosperity of Hong Kong.

"From the point of view of running an administration, it is very important that people should be able to look to the Government for decisions on things."

Sir David noted that it was also necessary to win China's understanding.

"We want to be able to explain to the Chinese Government the plans we've got for now and for the medium-term future. That is something that we always said we want to do," he said.

Sir David said he hoped China would express understanding as there was a genuine common interest for such a relationship.

"It is in Hong Kong's interest that we should have good relations with China."

Sir David believed visiting China and fostering personal contacts with Beijing officials would be a better way to convince China of Hong Kong's needs.

He will hold talks today with Mr Tian and Mr Lu Ping, the Director of the State Council's Hong Kong and Macao Affairs Office.

Tomorrow Sir David will meet a vice-minister of the Ministry of Foreign Economic Relations and Trade.

On top of the controversial port and airport scheme, Sir David said he wanted to discuss other subjects of mutual co-operation with his hosts.

Issues to be raised also cover cross-border smuggling including firearms, the Vietnamese boat people problem, Hong Kong's three tier elections this year and bilateral trade matters.

Sir David will return to Hong Kong on Thursday morning.

Meanwhile, the British Ambassador to Beijing, Sir Alan Donald, yesterday disagreed that China had been putting pressure on Hong Kong.

When asked if Britain would make concessions in the face of mounting Chinese pressure, he said: "It is absolutely clearly laid down in the Joint Declaration that the British administration would be responsible for the administration of Hong Kong up to 1997.

"I think concession is quite the wrong word. They are approaching all the problems with the same common objective," Sir Alan added.

"The common objective is that Hong Kong should remain prosperous. People should be safe, happy and stable. With that common objective and goodwill lots of problems would be solved."

Governor Meets Lu, Tian

OW2201130591 Beijing XINHUA in English
1242 GMT 22 Jan 91

[Text] Beijing, January 22 (XINHUA)—Deputy Foreign Minister Tian Zengpei and Director of the Hongkong and Macao Affairs Office of the State Council Lu Ping held talks with Governor of Hong Kong David Wilson on separate occasions here today on Hong Kong issues.

According to the Foreign Ministry, these talks were conducive to increasing mutual understanding.

This evening, Ji Pengfei, a member of the Standing Committee of the Chinese Communist Party's Central Advisory Commission, met Wilson and hosted a dinner in his honor.

Wilson arrived in Beijing yesterday at the invitation of Tian Zengpei.

Falling Demand for UK Passport Applications

HK2001024191 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 20 Jan 91 p 2

[Text] The number of people collecting application forms for the British passports package fell to a record low in the middle of last week, prompting suggestions that the scheme could turn out to be a disaster.

"It's a little bit early to say it's a flop," noted Mr Bill Ahern, a lawyer who has been closely following the nationality scheme, "there's certainly cause for concern."

The Government originally announced it was geared up to handle 750,000 applications, and had printed a million forms for distribution through Post Offices and Government Offices.

But with the three month period for applications now more than half over—it ends February 28—only 239,394 have been handed out, and the number being collected has been falling off.

Only 904 were distributed last Tuesday, in marked contrast to the tens of thousands that were being collected every day at the start of last month. It was the lowest daily total yet.

However, the number collected rose slightly at the end of the week, with 3,258 distributed yesterday.

"I'm worried more forms have not been collected," said Mr Ahern. "After all many people are collecting more forms than they need."

Other lawyers also said they had been surprised by the poor response to the scheme so far.

"My suspicion is that people have been put off applying by the complexity of the scheme," said Mr James Davies, whose firm has been processing applications for the scheme.

But legislators and Government officials said such assessments were premature. "It's too early to make any judgement," said Mrs Rosanna Tam Wong Yick-ming, head of the Omelco [Office of the Members of the Legislative Council] working group on nationality, after seeing the latest figures.

And the man responsible for implementing the passports package in Hong Kong—Government trouble-shooter Mr Donald Tsang Yam-kuen—predicted the numbers would pick up next month.

"This is human nature in Hong Kong. People just want to do things at the very last moment however hard we try," he said.

British lawyer Mr Roger Gherson of Gherson and Co predicted the final figure could surge past the half a million mark. "I believe it's going to be done at the last minute and its going to cause a lot of panic and a lot of people are going to be caught short," he said.

But he warned any less successful response would scupper Hong Kong's chances of getting more passports out of Britain in the future.

"If this scheme is not oversubscribed then there's no chance for making further approaches to Britain if something disastrous happens in a few years time," he said.

"They're going to say well we gave you the opportunity and nobody wanted it so why should we give you any more."

Detention of XINHUA's Xu Jiatun Attempted

HK2001025691 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Jan 91 p 2

[Text] A senior cadre at the local branch of the New China News Agency (NCNA) [XINHUA] tried to confiscate the passport of its former director, Mr Xu Jiatun, on the eve of his flight to the United States, according to a leading China-watching magazine.

The latest issue of Contemporary News Weekly—which is run by leftists who split with Beijing after the Tiananmen tragedy—says recently-appointed NCNA eighth deputy director Mr Qin Wenjun was ordered to monitor Mr Xu's movements last April, in an apparent bid to prevent him leaving the country.

Mr Qin, who was then a deputy Communist Party secretary in Shenzhen, was ordered to confiscate Mr Xu's diplomatic passport on around April 29, the magazine reported.

But when he went to Mr Xu's home in Shekou, he discovered the former NCNA chief had already left. Mr Xu is known to have crossed the border at Lo Wu a day later—and flew to Los Angeles on May 1.

Mr Qin, who was transferred to Hong Kong last month, after four years in Shenzhen, was tipped to take over from Mr Zhang Junsheng as an NCNA deputy director responsible for propaganda in the territory, the magazine said.

It also revealed Beijing limited some of the NCNA's responsibilities, while Mr Xu was in charge, in an attempt to cut off his access to sources of finance.

The former NCNA director's flight to the US, where he is officially described as resting and has not sought political asylum, severely embarrassed Beijing last year.

Mr Xu, who fell out with China's hard-line rulers after the suppression of the pro-democracy protests in 1989, is believed to now be living with one of his daughters in a luxurious home in western Los Angeles.

Jiangsu Governor on Economic Ties With Hong Kong

OW1901032591 Nanjing XINHUA RIBAO in Chinese 10 Jan 91 p 1

[By reporters Gao Heyun (7559 7729 0061) and Yao Guoguang (1202 0948 0342)]

[Text] Hong Kong, 9 Jan (XINHUA RIBAO)—The Jiangsu economic mission led by Governor Chen Huanyou successfully wrapped up its study tour of Hong Kong and arrived in Singapore by air this afternoon for a visit.

During their stay in Hong Kong, Chen Huanyou and his party attended the opening ceremony of the "Jiangsu Province Trade Fair." They also toured the Hong Kong Electric Company, Hong Kong Telecommunications, the Mass Transit Railway Corporation, container wharfs, an air cargo terminal, and other public facilities. They visited factories, the stock exchange, the Hong Kong branch of the XINHUA News Agency, the China Resources (Holdings) Company, the Hong Kong and Macao offices of the Bank of China, and Hong Kong's Board of Trade. Chen Huanyou held extensive exchanges with regard to Jiangsu's current economic development and ideas for its future development, as well as discussing prospects for economic cooperation between Jiangsu and Hong Kong with Deputy Directors of the Hong Kong branch of the XINHUA News Agency Zheng Hua, Wang Pinqing, Qiao Zonghuai, and Pan Zengxi, and with Hong Kong notables Run Run Shaw, Henry Fok, Li Ka-Shing, Zhang Jianquan, Su Zeguang, Zheng Yutong, Li Yaoji, Li Guowei, Chen Youqing, Tang Xiangqian, Zhang Jingli, Zhu Youlan, Huang Diyan, Zhuang Shiping, Yuan Geng, Jiang Bo, Huang Zhensheng, Zhang Yongzhen, and Wu Yizhi.

Before he left Hong Kong, Governor Chen Huanyou granted an interview to this reporter. Among other things, he said: Jiangsu's trade fair in Hong Kong has aroused the sincere concern and received the strong support of people from all walks of life in Hong Kong. In terms of turnout at the opening ceremony, the enthusiasm shown, and the standard of the fair, it was one of best trade fairs (exhibitions) that Jiangsu has ever held overseas. The volume of transactions is predicted to be one of the largest. This is the result of the resolve to uphold the policy of reform and opening to the outside world. It reflects the desire of Jiangsu and Hong Kong to complement the deficiencies of one another and to develop together.

Commenting on his impression of Hong Kong during this special visit, Chen Huanyou stated: We are deeply impressed by the patriotism shown by all walks of life here, and by their wish to contribute to the motherland's modernization drive. The members of our mission were warmly received every place they went and truly felt "brotherly affection and compatriot intimacy" everywhere.

With regard to the current situation and prospects for the economies of Jiangsu, Hong Kong, and Macao, Chen

Huanyou reiterated: "Redoubling efforts to develop and expand economic exchange and cooperation between Jiangsu and Hong Kong not only will supplement the shortcomings of each region, but also will help develop the economy of Jiangsu, and bring prosperity and stability to Hong Kong. With the increase in exchanges between them, the field of economic cooperation between Jiangsu and Hong Kong is very wide." He was also hopeful of economic and trade relations between Jiangsu and Taiwan, and welcomed Taiwan compatriots to Jiangsu for sightseeing, trade talks, and investment.

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